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SERVING THE TOTAL FOODSERVICE INDUSTRY

JULY 25, 1990

RESTAURANTS & INSTITUTIONS

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400

PART II: Menu Concepts

ABOUT THE COVER

Product Of The Year: Frozen Yogurt

More Inside! See Page 2

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VOL. 100 NO. 19

24 R&I EXCLUSIVE: FROZEN YOGURT IS PRODUCT OF YEAR

Sales for the *R&I* 400 stand at $127 billion, a sweet 8% increase over last year. On the fast-food front, the latest scoop is that frozen yogurt sales are spiraling upward. McDonald's, Baskin-Robbins and the soft-serve specialist, Dairy Queen—whose confection is shown on our cover—see frozen yogurt as America's new counter culture.

55 PIZZA AND PASTA CONTINUE TO BE TOPS WITH PUBLIC

Americans love Italian foods, especially pizza, made for carryout or home delivery. While the big chains—Pizza Hut, Domino's and Little Caesars—refined operations and packaging, regional chains opted for offering unusual toppings. Italian restaurants such as The Olive Garden adjusted their menus for changing seasons.

64 FAMILY DINING OFFERS SOMETHING FOR EVERYONE

Juggling light and healthful menu offerings with hearty ethnic dishes, and increasing customer counts for two target markets—seniors and children—the family-dining segment plays the odds to win.

83 CHICKEN EXPERTS: OUT OF THE FRYER AND INTO THE FIRE

Chicken chains fallen on hard times are cooking up competitive moves. Newly extended menus include salads, sandwiches and sides designed to heat up sales. KFC hopes Hot Wings fly further on second release; Popeyes eyes roasted chicken (later in the year).

105 MEAT 'N' POTATOES BRANDS LIGHTEN MENUS

Steakhouse and BBQ companies work at giving customers menu alternatives while maintaining meat 'n' potatoes traditions. They're promoting seafood, chicken, smaller portions and updated diet plates. Elaborate salad and hot bars have become fixtures for segment leaders such as Sizzler and Ponderosa.

121 MEXICAN SEGMENT GOES FOR WHOLESOME ENCHILADA

As the popularity of Mexican foods spreads, chains are capitalizing on the public's desire for lighter fare by adding more fish, seafood and fresh fruit to the menu. El Torito switched to cholesterol-free cooking oils and added whole-wheat tortillas and light sour cream. Red Onion added American Heart Association-approved entrees.

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LIGHT MOTIFS

More healthful foods accent 400 companies' menus and marketing efforts.

Americans have finally discovered what their mothers knew all along: The key to a healthful diet is balance.

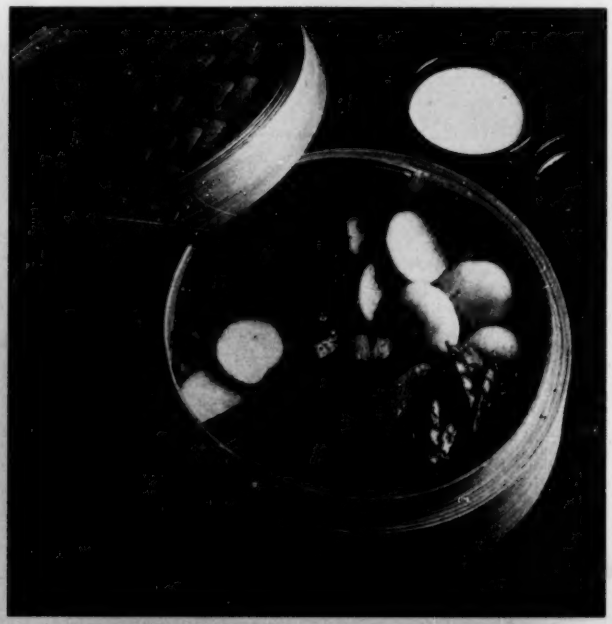
For this rediscovered bit of knowledge, this year's 400 companies are breathing a collective sigh of relief. "We found that people wanted something light, but still satisfying," says Jim Parish, Chili's chief financial officer. This mandate gives the dinner-house chain freedom to add meat or fish to entree salads; to offer a smaller sirloin; and to keep experimenting with desserts.

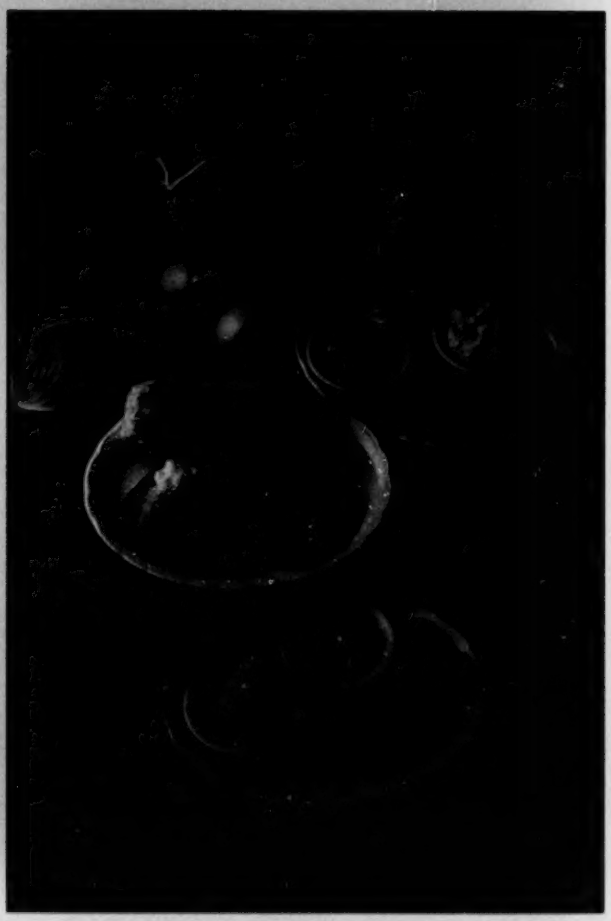
At Ground Round, the move toward a more balanced menu came not from customers, but from management. "Our menu was dominated by heavy items," says Michael O'Donnell, new president at Ground Round. "To add balance, we introduced a lot of lighter things"—for instance, a grilled seafood salad, baked stuffed sole and strawberry frozen yogurt.

Ground Round's and Chili's menus show that the key to balance is adding healthful accents to foods, both during the cooking process and at the table. Back-of-the-house tricks include using unsaturated oils such as olive and canola instead of animal/vegetable blends; substituting spices and flavor-infused oils for heavy sauces (especially at the upscale dinner-house chains) and baking and broiling, not frying, chicken and fish. Some examples:

- El Torito has replaced traditional rice and bean side dishes with fresh fruit on many entrees.
- Bombay Bicycle Club offers a number of ethnic dishes in varying degrees of "lightness." Japanese soba noodles, for instance, are served with the customer's choice of either vegetables, chicken, steak or shrimp.

A trio of health-smart products from 400 companies: Dairy Queen's new, fat-free frozen yogurt (l.) transforms into sundaes or Breeze mix-in creations; Red Robin's vegetable steamer entree (r.) comes as is or with chicken or shrimp; PoFolk's new Hot Off The Grill line (below r.) departs from the chain's usual fried fare.





□ Arby's has cut in half the amount of mayonnaise it puts on sandwiches, shaving 100 calories off each one.
□ Stuart Anderson's accompanies all dinners with a family-style salad bowl.
□ Waffle House serves 95% fat-free, low-sodium bacon and cooks in cholesterol-free shortening.

LIGHT LINES

The best example of a light-and-healthful line: Frozen yogurt, 400 Product of the Year, is showing up on menus industrywide.

Dairy Queen introduced fat-free frozen yogurt in about half its stores this spring. The vanilla yogurt is available plain, in sundaes and, most important, as a Breeze, the frozen-yogurt version of DQ's popular Blizzard mix-in ice cream creation. Similarly, Bresler's has expanded its superrich Royale Cremes line with no-fat Royale Lights. Baskin-Robbins' light line includes both lower-calorie and sugar-free dairy desserts.

McDonald's, traditionally wary of food fads, has added frozen yogurt in several hundred stores. It figures prominently in one of the burger chain's new TV ads, "The Good Earth." Low-fat milkshakes and fruit sorbet, in widespread test, also lighten up McDonald's dessert menu.

Companies such as burger chains and family-dining chains, which attract a wide cross-section of the population, are counting calories on entrees as well as desserts. The best way to serve health-conscious guests, they've found, is to list all their healthful selections under one menu banner.

One page of Big Boy's menu lists Health Smart selections, whose protein, carbohydrates, fat, calories, sodium and cholesterol contents are on the last page of the menu. A number of buf-

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400: OVERVIEW

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Family-dining chains seem most eager to present healthful options.

fet items are tagged as meeting its Health Smart criteria as well.

Sirloin Stockade has introduced three new Lite 'n Lean meals, which consist of 3 or 4 ounces of chicken, meat or fish; rice pilaf, steamed carrots and broccoli, and celery and carrot sticks. Each meal has only 350 calories. Bonanza, too, has added a Lighter Fare section to its food bar.

Blimpie, the sandwich chain, has introduced Blimpie Lites, a selection of salads and pita sandwiches, each with fewer than 300 calories.

LaRosa's, the Cincinnati-based pizza chain, has managed to create a light line of Italian fare without using turkey-based meats or cheese substitutes. The chain has cut fat by 50%, cholesterol by 54% and calories by 23% in its light pepperoni pizza, simply by using different proportions of the same ingredients found in fully loaded pizzas, says Stuart Smetts, vice president of marketing at LaRosa's. The chain has trimmed down its spaghetti dinner and tuna hoagie in a similar way.

Smetts reports that the light line's best customers are not necessarily health nuts or dieters, but families "where Mom has to watch her cholesterol or Dad has to watch his weight." Sales are good, but not great, he says, partly because people don't believe that a pizza made with real cheese can meet strict nutritional guidelines.

To combat this perception, LaRosa's prominently displays brochures that list all pertinent nutrition information for the light items.

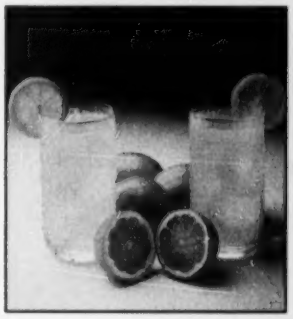
MARKETING HEALTH

The touchy subject of nutrition brochures was revived last fall, when the watchdog group Center for Science in the Public Interest accused a handful of burger chains of failing to provide customers with nutrition and ingredient information. Shortly after, Phil Sokolof, a former heart patient, fanned those flames when he accused McDonald's of "poisoning" Americans with too-fatty burgers.

The two incidents seem to have jolted companies into action. This spring, McDonald's announced that all stores will display posters that list salient nutritional data for most foods. Hardee's has introduced The Lean 1, a burger with a total of 18 grams of fat, which the company claims is the lowest among the top four burger chains' offerings. Carl's Jr. cordoned off its healthful menu items onto one side of the menu board.

Adopting and advertising well-known brands of low-cal, low-fat foods has become part of the health marketing strategy. LaRosa's calls out a brand of margarine and a brand of salad dressing by name on the menu. Rax, the sandwich chain, now fries foods in one of the leading consumer brands of all-vegetable shortening—and says so on the menu board. Burger King offers salad eaters a brand of salad dressing advertised to consumers as "all-natural."

To combat the newly raised health consciousness of the commercial companies, institutional players have begun marketing nutrition more aggressively than ever.



Diet lemonade, a light twist on a Chick-fil-A specialty.

This year, The Wood Company will introduce a wellness program, complete with healthful menu selections and their nutritional breakdowns, education materials on healthful lifestyles, and food handling and preparation tips.

Marriott, one of the first contractors to develop a health program, has expanded "Wellness and You" to include programs for schoolchildren. "Vegimal" puppets explain basic nutrition facts to children, who are invited to weigh cardboard cutouts of different foods on an oversize scale to get an idea of what goes into a balanced meal.

ARA has added a few programs to its Treat Yourself Right program, as well. TYR was rolled out last March (National Nutrition Month), and now offers vegetarian, low-cholesterol and kosher meals to both students and faculty on college campuses. "Instead of taking the good stuff off the menu, TYR adds more choices," says Debbie Chilton, ARA administrative dietitian. "TYR shows that portion size and balance are the real criteria of healthy eating—and this can include chili and pizza."

BEEFING UP

For every sensible portion, lean dinner plate and

Howard Johnson's lighter stir-fries attract more dinner guests.

low-fat dessert on a 400 company menu, there is a fully loaded entree or dessert to balance it out. "People may be conscious of health issues, but they still want to indulge," says Rick Crossland, T.G.I. Friday's president of research and development. At Friday's, chargrilled potato salad (no mayonnaise) headlines the appetizers, while three-layered cookie pie leads the dessert list.

Pizza Hut, currently in the test lab with a lower-calorie pizza, currently lists as its best sellers four Lover's specialty pies, loaded to the top of the crust. Mazzio's pizzas weigh 3 pounds; the chain also advertises its unusual toppings, for example, Mexican and seafood.

Häagen-Dazs, one of the sweets chains that added frozen yogurt this year, also came out with soft ice cream that sports a 16% butterfat content. The ice cream racks up nearly 30% of sales in the stores that offer it.

Big Boy balances out its Health Smart selections with Down Home fare, featuring such dishes as country-fried steak, half-pound ground-round platters and pork loin dinners.

El Torito, busy siding combo plates with fresh fruit, also has added Macho Nachos, an appetizer featuring layers of spicy beef, chicken, cheese and jalapeño peppers. New mini-chimichangas are laden with cheese and ham bits.

And Ground Round, whose new executives lightened up the menu this year, saved the best for last with a new dessert menu as well. Featured on place mats: mud pie, ice cream chocolate cake roll, triple chocolate ice cream swirled with brownie chunks, and peanut butter mocha pie.

SEGMENTS IN DEPTH

Beginning on the next page is a ranking of the R&I 400 by segment, complete with 1989 sales and units.

In the segment overviews following the ranking, you will find key trends, profiles of the top three companies and others of note, plus details on best sellers, best promotions and what's on tap for the year ahead.

The pie chart that accompanies each profile shows the segment's sales as a percentage of its overall category—commercial ($102,548.7MM sales) or institutional ($11,399.8MM sales)—in the 400. The contractors segment is compared with the overall 400 (total sales of $13,035.4MM) because most of its members are subsidized like institutional foodservice but compete like commercial operations.

—By Lisa Bertagnoli

Lite 'n Lean from Sirloin Stockade: 350 calories.

COMING UP ON 400 MENUS

■ **McDonald's** seems to be throwing menu caution to the wind: In test are fried-fish dinners, breakfast burritos, pizza, pasta platters.

■ **Burger King's** menu plans are demographically driven: More salads will attract more women; specialty sandwiches, teenagers; and breakfast, the "skippers."

■ **Kentucky Fried Chicken** is all but ready to roll non-fried chicken.

■ **Pizza Hut** is busy in the R&D lab with a light pizza. Also, look for more additions to the Lover's line of specialty pies.

■ **Marriott** plans to let its new contract management acquisition, **Corporate Foodservice,** continue carving out its upscale niche.

■ **Hardee's** promises to capitalize on Roy Roger's brisk dinner business and famed chicken dishes when it converts the sandwich shops to burger restaurants.

■ **Taco Bell** has Tacos-To-Go and a pocket taco. On the drawing board: breakfast, now in test.

■ **Arby's** hopes to make a go of its new **Roadhouse Ribs** concept. Its first attempt, **Flourpot Cookies**, failed.

■ **Hilton** is working on multinational menus to accommodate East and West Coast international visitors.

■ **Sizzler** plans to keep remodeling restaurants into Buffet Court scramble serveries, working wonders on sales and margins.

■ **Long John Silver's** is finally set to roll its broiled program, after two years.

■ **7-Eleven** is looking to other foodservice companies to run c-store foodservice.

■ **Morrison's Custom Management** expects to increase cash sales 10% with **Fast Takes**, its new takeout.

■ **The Olive Garden** plans to introduce seasonal menus. The first, for this summer, runs until Sept. 4.

■ **United Airlines** will expand seafood and pasta offerings on in-flight meals.

■ **Chili's** plans to keep lightening up the menu, focusing on salads and frozen yogurt.

■ **K mart** hopes to freshen up foodservice by opening **Little Caesars** pizza restaurants in several stores.

■ **Wyatt Cafeterias** is testing a limited-menu concept called Wyatt Express, designed for mall food courts.

■ **U.S. Navy Officer's and Enlisted Club System** will open the first **Parcheezi's**, a pizza and pasta restaurant, on several bases this year.

■ **El Pollo Loco**, the premier broiled chicken chain, plans to broaden appeal with a charbroiled chicken entree salad and sandwich.

■ **Carvel Corp.** hopes to revive some of the chain's classics—for instance, Lalapaloozas and the Flying Saucer.

■ **Omni Hotels** is testing sous-vide products from a number of vendors. Possible uses for the premade meals: room service, lounge and bar meals.

■ **Lettuce Entertain You** is mulling "Best of Lettuce," a takeout store where customers could buy signature restaurant items.

■ **Restaurants Unlimited** hopes to revolutionize cafeterias with **Zoopa**, its soup-and-salad concept.

■ The **Houston Independent School District** will rework all recipes this year to increase fiber and lower fat, salt and sugar contents.

■ **Nordstrom** to open more of its new **Garden Court** restaurants, featuring salads and seafood, as the department-store chain expands to Midwest and East Coast.

■ The **Dallas Independent School District** hopes to add the "Healthy Meal Deal," lunch boxes filled with sandwiches, fresh fruit and raw vegetables.

400: RANKING

1. McDonald's Corp.	1	17,333.4	11,162
2. Burger King Corp.	2	5,700.0**	6,051
3. Wendy's Intl. Inc.	6	3,036.0	3,755
4. Hardee's Inc.	7	2,921.3*	3,231
5. Jack In The Box	31	833.9	986
6. Carl's Jr.	45	510.0**	541
7. Sonic Industries Inc.	58	410.0	1,011
8. Whataburger Inc.	75	301.0	438
9. White Castle System Inc.	85	278.4	252
10. The Krystal Co.	119	188.3	231
11. Fuddruckers Inc.	138	155.0	115
12. Rally's Hamburgers	179	102.0	202
13. Druther's Intl. Inc.	190	97.0	146
14. Arctic Circle	337	39.0	99
15. In-N-Out Burgers	375	32.9*	59
16. Blake's Lotaburger Inc.	397	29.6*	75

1. Marriott Food & Svcs. Mgmt.	5	3,965.0†*	2,390*
2. ARA Svcs. Inc.	10	2,500.0	2,600
3. Canteen Co.	15	1,369.9	1,972
4. Service America Corp.	21	1,100.0	1,500
5. Morrison's Custom Mgmt.	39	580.0**	892
6. Ogden Allied Svcs. Corp.	50	445.0**	1,800
7. The Seiler Corp.	64	376.1†*	487
8. Harry M. Stevens Inc.	103	225.0	40
9. daka Food Service	106	220.0	283
10. ServiceMaster Co.	107	219.0	273
11. Restaura Dining Svcs.	111	200.0	300
12. The Wood Co.	129	172.7	284
13. Sportservice Corp.	130	168.3*	170
14. Concession Air Corp.	134	161.2*	45
15. Club Corp. of America	148	139.5	174
16. Trusthouse Forte Food Svcs. Inc.	161	124.0	505
17. Greyhound Food Mgmt.	186	100.0	120
18. Wometco Food Svcs.	194	91.5	970
19. Professional Food-Service Mgmt. Inc.	196	90.0	134
20. Guest Svcs. Inc.	200	89.3	126
21. Food Dimensions Inc.	205	85.0†	120
22. Valley Innovative Mgmt. Svcs.	215	79.2†	125
23. TrettCo Inc.	216	78.4	107
24. Sanese Svcs. Inc.	238	65.0	62
25. Universal Svcs. Inc.	251	60.0	134
26. Southern Foodservice Mgmt.	304	45.0	80
27. Sands & Co. Inc.	312	44.4†*	825*
28. Nutrition Mgmt. Svcs. Co.	327	40.0	50
29. Lackmann Food Service	332	39.3	48
30. Corporate Food Svcs. Inc.	351	36.9*	50
31. CVI Service Group Inc.	367	34.7†	50
32. Flik Intl. Corp.	384	31.0**	70
33. Blue Ribbon Svcs.	392	30.0†	65
34. RA Restaurant Svcs.	393	30.0	17

1. The Sheraton Corp.	13	1,557.7	1,718
2. Marriott Lodging Div.	17	1,303.6*	662*
3. Hilton Hotels Corp.	22	1,094.0	1,213
4. Holiday Inn Hotels	28	869.0**	2,788**
5. Hyatt Hotels Corp.	29	863.9*	350**
6. Days Inns of America Inc.	38	610.0	951
7. Westin Hotels and Resorts	42	541.1*	495
8. Inter-Continental Hotels Corp.	47	475.0	424**
9. Quality Inns Intl.	57	414.0	897
10. Radisson Hotel Corp.	71	325.0	360
11. Ramada Hotel Group	87	271.9*	117*
12. Hyatt Intl. Corp.	97	242.0	221**
13. Stouffer Hotel Co.	101	227.5*	112
14. Bally Casino Resorts	114	195.5*	29*
15. Embassy Suites	118	190.0	99
16. The Ritz-Carlton Hotel Co.	131	166.1*	42
17. Omni Hotels Corp.	137	159.6	86
18. Red Lion	144	146.0	129
19. Harrah's Casino Hotels	147	140.3	31
20. Caesar's World Inc.	149	139.1	38
21. The Trump Organization	157	129.5*	30*
22. Doubletree Hotels	159	124.9*	100
23. Trusthouse Forte Hotels	180	101.8*	118*
24. Loews Hotels	184	100.0	80
25. Resorts Intl. Inc.	202	87.9	26
26. Princess Hotels Intl.	206	83.9*	34
27. Circus Circus Enterprises	211	81.3	28
28. Prime Motor Inns	225	75.0	78
29. Fairmont Hotel Corp.	239	65.0	23
30. The Registry Hotel Corp.	246	63.0	15
31. The Boyd Group	249	60.7	27
32. Pointe Resorts	270	55.4*	11

*R&I estimate. **company est.; †commercial equivalent.

33. Adam's Mark Hotels	272	55.0	28
34. Showboat Inc.	275	53.7	12
35. Aztar Inc.	290	49.9	47
36. Helmsley Hotels	322	40.7*	15**
37. Amfac Resorts Inc.	323	40.7*	21*
38. Sonesta Intl. Hotels Corp.	333	39.1*	30
39. Golden Nugget Casinos	338	39.0**	18

1. Pizza Hut	4	4,090.5*	7,410
2. Domino's Pizza Inc.	9	2,500.0	5,220
3. Little Caesars Pizza	20	1,130.0	2,700
4. The Olive Garden	52	440.0**	145
5. Pizza Inns	76	300.0**	685
6. Round Table Pizza	79	295.0	551
7. Godfather's Pizza Inc.	104	225.0**	507
8. Shakey's Inc.	110	202.5	371
9. Sbarro Inc.	113	196.0	384
10. ShowBiz Pizza/Chuck E. Cheese Pizza	115	195.5	257
11. Papa Gino's of America Inc.	150	137.0	217
12. Mr. Gatti's Inc.	153	133.0	303
13. Mazzio's Corp.	154	132.0	259
14. Pizzeria Uno Restaurants	213	80.0	63
15. Sir Pizza Intl.	223	75.0	107
16. Peter Piper Inc.	271	55.2*	112
17. The Old Spaghetti Factory	292	48.6	32
18. Crusty's USA	330	40.0**	105
19. Pietro's Corp.	345	38.0	80
20. Valentino's	356	36.0	41
21. Noble Roman's Inc.	359	35.7**	89
22. Rocky Rococo Pizza	360	35.1	55
23. California Pizza Kitchen	361	35.0	12
24. LaRosa's Inc.	374	33.0	46
25. Happy Joe's Pizza and Ice Cream	383	31.1	78
26. Straw Hat Cooperative Corp.	399	29.0	76

1. Denny's Inc.	19	1,284.0	1,342
2. Big Boy	23	1,009.0	924
3. Shoney's Restaurants	30	862.4	680
4. Friendly Ice Cream Corp.	41	560.0**	820
5. Perkins Family Restaurants L.P.	55	423.0	371
6. Intl. House of Pancakes Restaurants	67	359.0	480
7. Bob Evans Farms Inc.	73	310.0	232
8. Waffle House Inc.	84	279.6*	684*
9. Marie Callender Pie Shops Inc.	99	239.0	159
10. Marriott Family Restaurants	100	229.0*	215
11. Village Inn Restaurants	102	227.3	232
12. Bakers Square	105	221.0	161
13. Frisch's	123	181.0	170
14. Country Kitchen Intl.	126	175.4	254
15. PoFolks Inc.	133	163.2	136
16. Cracker Barrel Old Country Store Inc.	146	141.0*	73*
17. Carrow's Restaurants Inc.	163	122.0	106
18. Kettle Restaurants Inc.	164	122.0	188
19. Lyon's Restaurants Inc.	171	110.0**	67
20. Howard Johnson	176	105.0	111
21. Dobbs Houses Inc.	187	99.8†	287
22. Swensen's Ice Cream Co.	192	95.0	279
23. Steak n Shake Inc.	195	90.6	112
24. Eat'N Park Restaurants Inc.	224	75.0	49
25. Huddle House Inc.	241	64.5*	170
26. Stuckey's Corp.	248	61.2	127
27. Au Bon Pain	266	56.0	75
28. Shari's Family Restaurants	283	50.0	45
29. Olga's Kitchen Inc.	286	50.0	53
30. Soup Exchange	294	48.0	31
31. Country Pride Restaurants	313	43.7	42
32. Vie de France Bakery & Cafe	314	43.0	58
33. Diversified Hospitality Group	320	41.0	152
34. Jerry's Restaurants	352	36.7	47
35. Happy Chef Restaurants	357	36.0	58
36. King's Family Restaurants	362	35.0**	22
37. Elmer's Pancake & Steak House	364	35.0**	28
38. Skyline Chili Inc.	369	34.2	79
39. Le Peep Restaurants Inc.	385	31.0*	66
40. Tippin's Restaurants Inc.	388	30.5	17
41. Pappas Restaurant Inc.	390	30.0*	25

1. Kentucky Fried Chicken	3	5,310.0	7,945
2. Church's Chicken Inc.	43	530.0	1,111
3. Popeyes Famous Fried Chicken	44	525.0	739
4. Chick-fil-A Inc.	90	263.8	411
5. Grandy's	122	181.2	195
6. El Pollo Loco	127	175.0	196
7. Lee's Famous Recipe Chicken	145	145.3	282
8. Brown's Chicken	177	103.0	150

*R&I estimate, **company est.; †commercial equivalent.

continued on page 32

continued from page 29

400: RANKING

9.	Bojangles' Corp.	209	82.5*	152
10.	Mrs. Winner's Chicken	250	60.3	120
11.	Pioneer Chicken Co.	256	60.0*	195
12.	Sisters Chicken & Biscuits	358	36.0	61

1.	Dairy Queen	11	2,179.0	5,206
2.	Dunkin' Donuts Inc.	27	880.0	1,900
3.	Baskin-Robbins Ice Cream Co.	36	676.4*	3,351
4.	TCBY Enterprises	74	303.0	1,627
5.	Carvel Corp.	128	175.0**	700
6.	Mister Donut of America	135	160.6	558
7.	Braum Ice Cream & Dairy Stores Co.	140	150.4*	230
8.	Winchell's Donut House	152	135.0	650
9.	Mrs. Fields Inc.	162	123.2*	525
10.	Tastee Freez	169	112.0	368
11.	Orange Julius	189	97.1	660
12.	Fosters Freeze Intl.	191	96.0	182
13.	The Haagen-Dazs Shoppe Co.	243	63.5*	275*
14.	Great American Chocolate Chip	255	60.0*	300
15.	The Original Cookie Co.	261	58.0	250
16.	David's Cookies	269	55.5*	375
17.	T.J. Cinnamon's Bakeries	295	48.0	191
18.	Hot Sam/Corn Dog on a Stick	300	46.0	297
19.	I Can't Believe It's Yogurt	311	44.6	291
20.	Cinnabon's Cinnamon Rolls	340	38.5	124
21.	Everything Yogurt Inc.	347	38.0	282
22.	Penguin's Frozen Yogurt	348	37.2	128
23.	Bresler's Industries Inc.	366	35.0	300
24.	La Petite Boulangerie	386	30.8*	117*
25.	Freshens Yogurt	391	30.0	170

1.	Sizzler Restaurants Intl.	24	925.0**	652**
2.	Ponderosa Inc.	35	687.0	735
3.	Bonanza Restaurants	40	588.0	575
4.	Western Sizzlin Steak House Inc.	48	465.0	515
5.	Golden Corral Corp.	53	431.4	494
6.	Ryan's Family Steak Houses	78	295.2	143
7.	Quincy's Family Steakhouses	92	263.3	213
8.	Tony Roma's—A Place for Ribs	94	260.0*	133
9.	Steak & Ale	109	215.0	159
10.	Stuart Anderson's	121	185.3*	86
11.	Western Steer Family Steakhouses	136	160.2	165
12.	Paragon Steakhouse Restaurants	188	98.0	54
13.	Sonny's Real Pit BBQ	212	80.7	80
14.	Mr. Steak	218	78.0	98
15.	Sirloin Stockade Intl.	262	57.3	68
16.	Ruth's Chris Steak House Inc.	284	50.0	26
17.	Damon's Inc.	285	50.0	38
18.	K-Bob's Steak Houses Inc.	316	42.0*	61
19.	Bobby Rubino's Place for Ribs	336	39.0	18
20.	Hilltop Steak House	379	32.1	2

1.	U.S. Army Center of Excellence	14	1,386.0†	936
2.	U.S. Navy Food Service Systems	25	904.4†	691
3.	Army & Air Force Exchange Service	37	618.2†	2,173
4.	U.S.A.F. Clubs Branch	68	355.7†	400**
5.	U.S.A.F. Engineering and Svcs. Center	77	295.4†	615
6.	Veterans Administration	95	258.2†	172
7.	U.S. Marine Corps	96	252.2†	107
8.	U.S. Navy Officer's and Enlisted Clubs	125	177.2†	318
9.	U.S. Army Commun. & Fam. Support	139	155.0†	571
10.	Navy Resale and Svcs. Support	166	117.6†	569
11.	U.S.M.C. Morale, Welfare & Rec.	232	69.2†	300
12.	Veterans Canteen Service	257	59.9†	172
13.	U.S. Army Medical Dept.	299	46.6†	50
14.	U.S. Navy Bureau of Medicine	324	40.6†	32
15.	U.S. Coast Guard	344	38.2†	431

1.	Bennigan's Restaurants	49	459.0	223
2.	TGI Friday's Inc.	59	400.6	145
3.	Chili's Inc.	65	371.3*	194*
4.	The Ground Round Inc.	93	262.7	196
5.	Houlihan's	117	190.2	69
6.	Specialty Restaurants Corp.	124	178.5*	66
7.	Ruby Tuesday	132	166.0**	100
8.	Brown Derby Inc.	141	149.5	53
9.	Applebee's Neighborhood Grill & Bar	142	147.7	113
10.	Chart House Restaurants	156	131.4	60
11.	Red Robin Intl.	160	124.0	58
12.	J.B.'s Restaurants Inc.	172	109.4	119
13.	Prufrock Restaurants	193	93.6*	70
14.	Benihana of Tokyo	197	90.0**	49
15.	Lettuce Entertain You Enterprises Inc.	204	85.0	26
16.	Houston's Restaurants	207	83.8	19

*R&I estimate, **company est.; †commercial equivalent.

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400: RANKING

17. Bill Knapp's Michigan Inc.	219	77.5*	62
18. The Levy Restaurants Inc.	231	70.0	35
19. Charlie Brown's	237	65.0	33
20. Trans/Pacific Restaurants Inc.	240	65.0	36
21. Restaurants Unlimited	242	64.0	21
22. Magic Pan	244	63.0	48
23. Bombay Bicycle Club	247	61.3	51
24. Hard Rock Cafe America	260	58.1*	8
25. Bobby McGee's USA Inc.	274	55.0	19
26. Restaurant Associates	277	52.4	21
27. Creative Restaurant Mgmt.	278	51.5	21
28. Trader Vic's	279	51.0**	18
29. Hamburger Hamlet	305	45.0	22
30. Velvet Turtle	307	45.0	21
31. Stouffer Specialty Restaurants	315	42.5*	20
32. Hooters Restaurants	317	41.8	28
33. O'Charley's Inc.	318	41.6	26
34. Ark Restaurants Corp.	343	38.4	19
35. T.K. Tripps Inc.	354	36.0*	24
36. Palm Restaurants	363	35.0	12
37. Grand American Fare Inc.	368	34.7	32
38. Shells Restaurants	370	34.0	25
39. Heartthrob Enterprises	371	34.0	11
40. Spire's Restaurants	372	33.8*	21
41. Shooters Waterfront Cafes	373	33.7	6
42. Spectrum Restaurants	387	30.5*	14
43. J.B. Winberie's	394	30.0*	30
44. The New York Restaurant Group	395	30.0	6
45. Entertainment One	398	29.2	22
46. The C&C Organization	400	29.0	24

1. USDA Food & Nutrition Svcs.	8	2,757.9†	91,493
2. Calif. Dept. of Corrections	98	240.0†	202
3. U.S. Dept. of Justice, Federal Prisons	173	108.8†	60
4. N.J. Dept. of Human Svcs.	181	100.8†	16
5. Calif. Dept. of Rehabilitation, B.E.P.	185	100.0†	260
6. N.Y. State Dept. of Correctional Svcs.	198	89.6†	65
7. Fla. Dept. of Corrections	199	89.6*†	103
8. N.Y. State Office of Mental Health	217	78.4†**	32
9. Mich. Dept. of Corrections	228	70.7†*	45
10. Ohio Dept. of Rehabilitation & Correction	229	70.4†	25
11. N.J. Dept. of Corrections	235	66.4†	65
12. Penn. Dept. of Public Welfare	268	55.8†	36
13. Calif. Dept. of Developmental Svcs.	282	50.4†**	11
14. Penn. Dept. of Corrections	296	47.6†	34
15. N.C. State Dept. of Corrections	308	44.8†	98
16. N.Y. State Office of Mental Retardation	309	44.8†	17
17. Texas Dept. of Corrections	326	40.1†**	61
18. Texas Dept. of Mental Health	376	32.8†	27

1. Taco Bell	12	2,129.5*	3,125
2. Chi-Chi's Inc.	54	430.5	208
3. El Torito Restaurants Inc.	63	379.0	180
4. Del Taco Inc.	108	216.0*	350
5. Taco John's	158	125.1	446
6. El Chico Corp.	168	112.0	90
7. Taco Time	201	89.0	309
8. Garcia's Mexican Restaurants	214	79.4	48
9. Taco Villa Inc.	226	75.0	148
10. Acapulco Restaurants	233	68.0	41
11. Pancho's Mexican Buffet Inc.	245	63.0	63
12. Taco Bueno	263	56.7*	110
13. Red Onion Restaurants	287	50.0**	15
14. Two Pesos Mexican Cafes	325	40.3	28
15. Taco Tico Inc.	335	39.0	113
16. Casa Olé Restaurants & Cantinas	341	38.5	35
17. Carlos Murphy's Restaurants	349	37.0	17

1. Arby's Inc.	18	1,300.0	2,247
2. Subway	32	800.0	4,091
3. Roy Rogers	60	400.0*	638*
4. Rax Restaurants Inc.	69	334.6	492
5. A&W Restaurants Inc.	112	199.2	668
6. Intl. Blimpie	165	120.0	350
7. Wienerschnitzel	170	111.0	288
8. Togo's Eatery	254	60.0	129
9. Carousel Snack Bars of Minnesota	264	56.5	275
10. Schlotzsky's Inc.	273	55.0	245
11. Jerry's Subs & Pizza	319	41.0**	72
12. Nathan's Famous Inc.	328	40.0**	54**
13. Maid-Rite Products Inc.	346	38.0	153
14. Sandwich Chef Inc.	355	36.0	140

1. Red Lobster	16	1,360.0**	481**

*R&I estimate, **company est.; †commercial equivalent.

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400: RANKING

2. Long John Silver's Seafood Shoppes	33	783.1**	1,490
3. Captain D's Restaurants	61	392.0	607
4. Skipper's Inc.	182	100.7	210
5. Rusty Pelican Restaurants	183	100.0	35
6. C.A. Muer Corp	259	59.0	17
7. L&N Seafood Grill	276	52.8**	24
8. Legal Sea Foods Inc.	288	50.0	7
9. Sea Galley Stores Inc.	306	45.0	27
10. Phillips Seafood Restaurants	350	37.0	6
11. The Original Seafood Shanty	365	35.0	14
12. Arthur Treacher's Inc.	381	32.0	97
13. Rusty Scupper	382	31.5*	18

1. Caterair Intl.	26	900.0	100
2. Dobbs Intl. Svcs.	51	442.1*	51
3. Sky Chefs Inc.	56	415.0†	41
4. United Airlines	62	383.2†	14
5. Trans World Airlines Inc.	89	267.0†	3
6. Northwest Airlines Inc.	174	107.2†	60
7. Amtrak	252	60.0	350

1. 7-Eleven	34	726.5**	7,000*
2. K mart Corp.	70	328.0	1,737
3. Wal-Mart Stores	86	273.8*	1,095
4. Circle K Stores	91	263.4*	4,674
5. F.W. Woolworth Co.	143	146.9**	755**
6. Wawa Inc.	236	65.0	460
7. Target Stores Inc.	253	60.0*	403
8. McCrory Stores	258	59.8**	316
9. Emro Marketing	289	50.0	860
10. Convenient Food Marts	297	47.3*	1,000
11. Casey's General Store	302	45.6**	762
12. Dayton Hudson Department Store Co.	303	45.0*	61
13. Nordstrom Inc.	334	39.0	61
14. Fair Lanes Inc.	396	30.0	112

1. Morrison Family Dining Div.	66	368.0**	175
2. Piccadilly Cafeterias Inc.	72	320.0**	145
3. Luby's Cafeterias Inc.	80	291.5	127
4. Furr's/Bishop's Cafeterias L.P.	81	291.0	156
5. Wyatt Cafeterias Inc.	116	192.0	121

6. Old Country Buffets	167	115.4	78
7. King's Table Buffets	203	85.0	83
8. K&W Cafeterias Inc.	267	56.0	23
9. MCL Cafeterias	293	48.3	27
10. Royal Fork Buffet Restaurants	380	32.0	18

1. National Medical Enterprises	83	280.0†	658
2. Beverly Enterprises	88	268.8†*	885
3. Hospital Corp. of America	151	135.7†*	131
4. Daughters of Charity Health Systems	175	106.4†	40
5. Humana Inc.	178	102.8†	84
6. American Medical Intl. Inc.	220	76.7†*	69
7. National Heritage Corp.	221	75.8†*	221
8. Adventist Health System	222	75.8*†	138
9. Health Trust Inc.	227	72.8†*	90
10. Manor Health Care	234	67.2†	158
11. N.Y. City Health & Hospitals Corp.	280	50.9†	17
12. Evangelical Lutheran	298	47.0†	204
13. Life Care Center Corp.	301	45.8*	123
14. Health Care & Retirement Corp.	310	44.8†*	130
15. Unicare Inc.	331	39.8†	147
16. Texas Health Enterprises	342	38.5†	110

1. N.Y. City Board of Education	82	282.8†**	1,247
2. Los Angeles Unified School District	120	186.9†*	684
3. Chicago Board of Education	155	131.5†*	603
4. Dade County Schools	230	70.0†**	292
5. Houston Independent School District	265	56.4†**	227
6. Detroit Public Schools	281	50.4†**	261
7. School District of Philadelphia	291	49.3†**	262
8. Hillsborough County School Board	321	40.8†**	149
9. Hawaii Statewide School System	329	40.0†**	224
10. Dallas Independent School District	353	36.†**	184
11. Mich. State University	377	32.†**	37
12. Broward County School Board	389	30.†**	165

1. Walt Disney Co.	46	490.0	206
2. Six Flags Corp.	208	83.2*	350*
3. HBJ Parks Inc.	210	82.1*	93
4. Leisure Inc.	339	38.8	126
5. Knott's Berry Farm	378	32.2*	60

*R&I estimate, **company est., †commercial equivalent.

BURGER CHAINS WAGE BATTLE ROYAL IN A CHANGING MARKET

All's fair as chains mix it up in an all-out war for new customers.

Peace might have made the headlines on this year's front pages, but back among the fast-food ads, the hamburger wars grew hotter than ever. Not in years have so many major burger chains slugged it out so hard on so many fronts at once: products, prices, promotions, technology, service and dayparts.

The prize is market share, measured in fractions of a percentage point now that the burger segment is so thoroughly saturated. To win that extra inch of ground, the big national chains now must be prepared to take on all comers from all segments.

At the same time, the national burger names must fend off ambush from regional players with superior knowledge of individual markets. And they must always be on guard against the price sniping of double-drive-thrus. Rally's entry to the 400 ranks proves the efficacy of doing a simple thing very well—and very inexpensively.

Miami-based Burger King's onslaught has been the most ambitious: The company is pinning turnaround hopes on a spectrum of new items, including the successful BK Broiler chicken sandwich, strong promotions around hit children's movies and a heavy response to the BK Kids' Club. McDonald's made big news too, primarily for something that hasn't happened yet. A multiple-market test of dinner-time pizza drew attention to the company's desire—according to outsiders, its *need*—to build evening business.

A number of chains turned their attention to breakfast. Chattanooga, Tenn.-based Krystal debuted an egg, cheese and sausage sandwich called the "Sunriser" and a blueberry muffin, leading to a 25% jump in breakfast sales. Whataburger, based in Corpus Christi, Texas, introduced blueberry and bran muffins and began testing biscuits. McDonald's and Burger King both introduced muffins; Carl's Jr. added a French Toast Dip and is planning a breakfast burrito for the early menu; Hardee's made pancakes an optional a.m. item.

Nor did chains neglect the famous "other" meal: the snack. Burger King, Carl's Jr. and Jack In The Box all added finger foods in hopes of catching the customer who wants just a nosh.

Other segment trends were less benign. Last summer, the big names in burgers came down with a bad case of discounting that hung on through most of the year. Though figures for the whole segment are not available, discounting at the top five burger chains is said to have reached the 18%-to-25% range before moderating in early 1990.

Burger King debuted its Ocean Catch fish sandwich last fall.

Colorful packages make BK offerings memorable.

McDONALD'S CORP.
$17,333.4MM

It's been a tough year for the Mighty Mac. Same-store domestic sales growth has slowed to 1.6% in stores open for a year or more; adjusted for price increases, that means a sales *decline* of about 2.5%. While tremendous international growth allowed McDonald's total '89 sales to power ahead, the top burger chain has found flat U.S. sales distressing enough to mount a host of traffic-building initiatives. Both the McRib pork sandwich and the Cheddar Melt cheeseburger reappeared as limited-time promotional products, along with a new item this spring, Western Omelet McMuffins. McDonald's has often used such short-term menu additions to stimulate customer interest; but both the company and its observers agree that it will take more than a six-week special to energize sales again. Nor will the breakfast rollouts of apple bran muffins and cold cereal with fat-free milk do much to bolster same-store sales.

McDonald's is hoping to tap into some major new market with growth potential, much like the quick-service breakfast that it pioneered in the early '70s. But where is the new Egg McMuffin?

Possibly in the pizza oven. McDonald's pizza test, suspended in 1987, came back strong last fall. In its present incarnation, the McDonald's Pizza is a 14-inch, eight-slice pie in four varieties—cheese, sausage, pepperoni and deluxe—and is sold only after 4 p.m. for prices ranging from $6 to $9.49. By year's end, the test pizzas will be available in some 200 McDonald's units.

The question is not *if*

pizza will become part of the permanent menu, but *when*. The company is known for taking years to complete product tests, and this one is trickier than most. McDonald's estimates that equipping an average unit for pizza production will run $35,000 to $40,000, including equipment and the cost of such modifications as widening the average drive-thru window to accommodate the pizza box. Most analysts agree that McDonald's won't be ready to roll out pizza nationally for at least another year.

When it does finally appear nationally, the success of pizza at McDonald's is far from assured. True, the company has more marketing clout than any other in foodservice. And competitor Pizza Hut has taken the chain's pizza efforts seriously enough to counter-advertise in McDonald's test markets. But fast-food breakfast was a wide-open market in the early '70s; pizza, on the other hand, is a jungle of competition. By stepping into that arena so late, McDonald's will be taking on some well-established market leaders. Besides, the company designed by Ray Kroc to "grind it out" assembly-line style will now be obliged to finish pies in four varieties and will run the risk of slowing down service.

Other recent tests have also involved possible dinnertime menu items. A few Dallas and Houston stores tried a bone-in fried chicken product, while others in northern California sampled a marinated chicken-breast sandwich. For a few months, four Milwaukee units sold a three-piece "McFish Fry" after 4 p.m. And half a dozen Pennsylvania restaurants are experimenting with four varieties of pasta in the evening hours, from spaghetti with meatballs for $1.99 to lasagna for $3.69.

BURGER KING CORP.
$5,700.0MM**

Burger King gets much of the credit for turning up the flame broiler under the burger wars. The former hard-luck chain finally got started on a badly needed turnaround soon after its sale to Grand Metropolitan PLC was complete in January '89. Almost immediately, CEO Barry Gibbons pledged to re-examine the whole menu and to upgrade service and maintenance standards "to create a positive, memorable experience."

That announcement set off a stream of product rollouts and promotions that made the 400's long-time No. 2 chain look like an innovator again, rather than an imitator. The strategy behind these tactics has been, first, to raise Burger King's profile by broadening its customer base to include more kids and women, while holding on to teens. Second, the company wants to develop memorable branded products with identities as clear as the competition's Big Mac and McDLT.

Last fall, Burger King kicked off its new ad campaign with its line of BK Doubles, two-patty combinations with bacon, mushrooms, and Swiss, cheddar and jalapeño cheese. These are standardized items with a customized feel; as such, they suited Burger King's effort to recall the "Have It Your Way" days when customer service was a selling point.

Another rollout involved a reformulation of the old Chicken Tenders breast strips, this time in a heavier, crunchier batter coating. The new item was renamed "Chicken Pick 'Em Ups" and sold six or nine to a box, with one of five sauces. Burger King advertised the product, and a seafood companion item made from cod fillets, as both a meal and a snack item. Both the Pick 'Em Ups and the BK Doubles use colorful, readily identifiable, product-specific packaging; boxes for the Pick 'Em Ups line are more cartoons than cartons.

Probably the most successful Burger King rollout to date has been the BK Broiler, the company's 3-ounce chicken breast sandwich. The fillet is flame-broiled and comes with lettuce, tomato and sauce for

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Carl's Jr.'s burritos tap into teens and takeout.

HAMBURGERS ('88-'89)

Avg. sales growth	5.5%
Avg. unit growth	2.8%

$31,996.8MM
31.2%

TOP TRENDS

- Increased attention to dayparts other than lunch. Breakfast becomes a battleground again and chains look for ways to draw customers after sundown.
- Menus get broader again after years of "stick-to-your-knitting" sermonizing. McDonald's pizza tests make it respectable to cross segment boundaries—if it is done well.
- Heavy reliance on off-premise sales. Finger foods are hot as snacks and meals.
- Speed, service as competitive advantages, from debit cards and touch-screen menus at the counter to high-tech drive-thrus.
- Combative commercials and increased ad budgets. Chains that can afford to outspend their rivals, will.

BEST SELLERS

- Hardee's: Big Deluxe hamburger
- Jack In The Box: Grilled Sourdough Burger
- Druthers: Breakfast sandwiches
- Arctic Circle: Bacon Burger, ice cream

A complete ranking of the 400 by segment begins on page 28.

400: BURGERS

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Top chains are trying to revive sales growth by tapping into new markets.

prices from $2.09 to $2.29. The product was initially aimed at women and children; but at sales of 1 million BK Broilers a day, it's clear the item has general appeal, partly for its aura of health. It also illustrates the vulnerability of giant McDonald's to quick, decisive product development. Burger King rolled the Broiler after only four months' test marketing, gaining a sizable market advantage on McDonald's, whose nonfried chicken sandwich is way back in the testing pipeline.

Burger King has also targeted women diners with efforts to reinvigorate its packaged salads, which account for only about 3% of total sales. The salads are now sold in larger packages and come with one of six varieties of dressing under the brand name licensed by actor Paul Newman.

Other, smaller tests and rollouts also pick up on the branding tactic. Company stores in Boston, Dallas and Columbus, Ohio, tested Häagen-Dazs premium ice cream as dessert. (Häagen-Dazs is a sister Grand Met company.) Next on the menu for overhaul: breakfast, marketed as the A.M. Express. The company has already swapped the Danish pastries it used to sell for six-packs of blueberry, apple raisin and lemon Mini Muffins. Burger King is also considering extending breakfast service on weekends to fit customers' more leisurely pace.

Salads lighten up menus across the segment.

Jack In The Box Ham and Turkey Melt has adult appeal.

WENDY'S INTERNATIONAL INC.
$3,036.0MM

Under CEO James Near, Dublin, Ohio-based Wendy's has been forced to focus on the cost side of its business as much as on menu modifications. Operating costs have been reduced, with staff cuts at headquarters and programs to slow employee turnover. In addition, the company's disastrous discount rate of 6% in fiscal '89 declined to about 1.6% in fiscal '90.

The biggest rollout of the year was the Wendy's Super Value menu. This module offers oversized "Biggie" drinks and fries and down-sized sandwiches such as the Junior Bacon Cheeseburger, many priced at 99 cents. The Super Value menu has boosted transaction counts at many stores, but the question remains: Can Wendy's preserve profit margins in the face of rising food costs with a menu that emphasizes low-priced items?

HARDEE'S INC.
$2,921.3MM*

Menu initiatives at Rocky Mount, N.C.-based Hardee's were overshadowed by the chain's purchase of 600 Roy Rogers units from Marriott Corp. The aftermath of that buyout will probably engage most of Hardee's attention this year, too, as the chain goes about absorbing Roy Rogers by conversion.

Still, Hardee's made some time for new rollouts. The Lean 1 is a new hamburger that Hardee's claims has less fat than any other sold by a major chain. As usual in this hotly contested market, that claim was immediately disputed: Wendy's announced that its Single had 15 grams of fat to The Lean 1's 18 grams.

JACK IN THE BOX
$833.9MM

It was business as *un*usual at San Diego-based Jack In The Box, the chain that prides itself on offering diverse, offbeat "adult fast food." New additions to the menu include a Ham and Turkey Melt served with hot mustard on grilled sourdough bread for $2.55. On the dessert side, the chain now offers Double Fudge Cake—an individually wrapped wedge of chocolate cake with chocolate icing and whipped cream topped with chocolate sprinkles that sells for $1.09.

CARL'S JR.
$510.0MM**

Anaheim, Calif.-based Carl's Jr. is targeting the nutritionally minded among its Western customer base by assembling some existing items into a "Lite Menu" for calorie counters and cholesterol watchers. The products include Carl's charbroiled barbecue chicken sandwich and charbroiled chicken salad, five varieties of stuffed potato, two sizes of packaged garden salad and the Carl's Jr. salad bar. The new Jr. Crisp Burrito, sold with dipping sauce in packages of three or five, plays to Carl's traditional strength among snacking teens and travels well enough to be a popular takeout item.

—Brian Quinton

400: PIZZA

'HEAVY SPEC' AND LIGHT TOPPING TREATMENTS WIN CUSTOMERS

Pizza and pasta innovations keep segment growing at a fast pace.

To quote Olive Garden President Ron Magruder quoting playwright Neil Simon: "There are two rules in the universe: The law of gravity and everybody likes Italian food."

Pizza and Italian chains in this year's 400 can vouch for at least the second of Simon's rules. Although no chains have reported any floating Parmesan cheese shakers, several say it's harder to get customers to stay in their seats for an on-premise pizza. As far as Italian fare goes, pizza of any kind will do, as long as it's thin-crust or pan, meat- or cheese-laden, and made for carryout and delivery.

The top three chains—Pizza Hut, Domino's and Little Caesars—are focusing not so much on new products as on refining the basics: Domino's designed a new delivery box, and Pizza Hut continues to roll out new versions of its premium Lover's line. Regional chains have made a niche out of unusual toppings: Mazzio's menu lists seafood and Mexican pizzas, while Pietro's Great Northwest pizza is topped with locally made cheese and sausage.

The chains offering more than pizza have moved to a more sophisticated side of Italian dining. The Olive Garden, for instance, added the surprise of walnuts and green onions to its new Sicilian fruit salad. Pizzeria Uno responded to patrons' demand for more non-pizza entrees with Chicken Frommaggi, a boneless breast baked with four kinds of cheese and fresh tomato.

PIZZA HUT
$4,090.5MM*

Pizza Hut executives say they're in love with their Lover's: Simply by piling on ingredients, they can create a new, promotable menu item without adding equipment, employees or another training manual. The line—Cheese Lover's, Pepperoni Lover's, Meat Lover's and Sausage Lover's—features pan pizzas heavily loaded with the namesake ingredient.

Since Pizza Hut has the Lover's line down pat, the chain can concentrate its biggest growth vehicle, restaurants devoted entirely to

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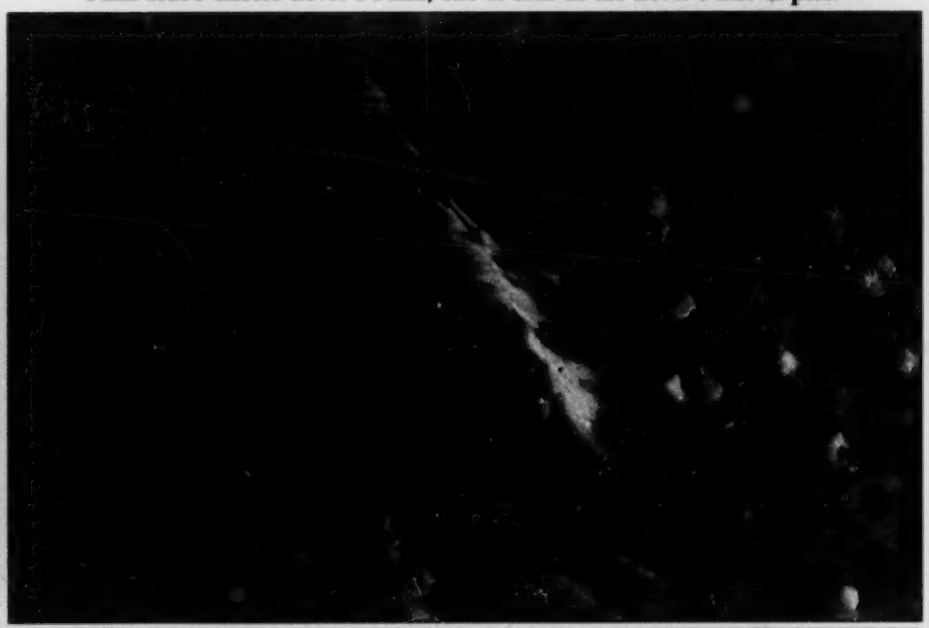
Pizza Hut's Cheese Lover's Pizza, one of four in the Lover's line of pies.



PIZZA/ITALIAN ('88-'89)

Avg. sales growth	6.0%
Avg. unit growth	0.6%

TOP TRENDS

- Mixed feelings on delivery: Some companies open delivery-only units, while others try to keep customers in the stores.
- Back to basics on flavors, as operators come up with creative variations on pepperoni and sausage.
- Pasta dishes and other items add diversity to some menus, but the top three players stick with pizza.
- Product-driven promotions come back into style, now that two-for-one pricing is here to stay.

COMING UP

- New lower-calorie, lower-fat pizzas
- More testing—and rolling out—of credit-card acceptance programs
- Off-premise catering via mobile kitchens and deluxe delivery trucks
- A small delivery backlash, resulting from high insurance costs and a dearth of qualified drivers

A complete ranking of the 400 by segment begins on page 28.

*R&I estimate

400: PIZZA

continued from page 55

Pizza Hut and Mazzio's make big gains with new lines of topping-heavy pies.

takeout and delivery.

Other menu news: Pizza Hut is working on a "light" pizza, but won't give details on how far along the product is. The Wichita, Kan., company restaurant offers two pasta dishes, but spokesman Roger Rydell dismisses the obvious question with a smile. "We're looking at pasta" is his only comment.

DOMINO'S PIZZA INC.
$2,500.0MM

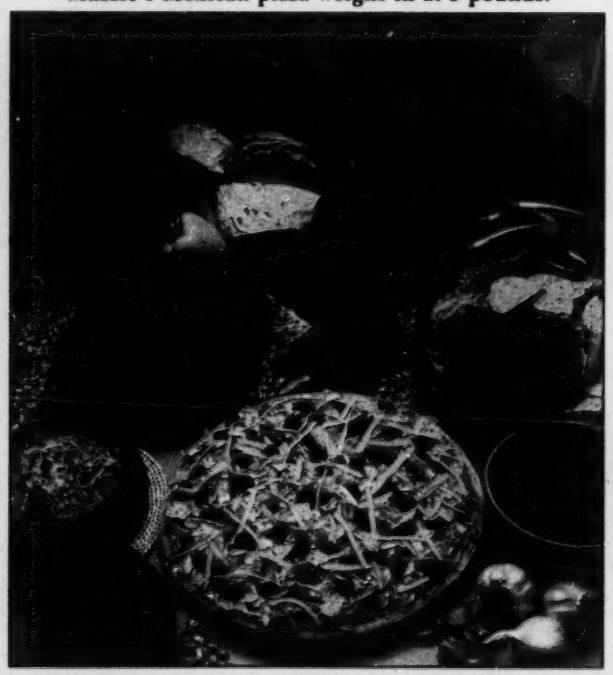
Domino's prefers "to concentrate on the things that made us what we are—pizza and Coke," says Tim McIntyre, a spokesman for the Ann Arbor, Mich.-based chain. Indeed, menu experiments—such as a mozzarella and Cheddar cheese pizza topped with broccoli, carrots and cauliflower, are confined to the company's in-house delivery program, which promises pizza on the employee's desk within 30 minutes.

Pan pizza, 1988's new product introduction, is not moving as well as the company would like, McIntyre says. To beef up pan sales, the chain offered a $2,000 incentive to the company store salesperson who sold the most pan pizza.

Most innovations come from the chain's franchisees. A half-dozen or so franchisees deliver to hotels. Hotel guests place their Domino's order through room service, and their order is delivered by room-service personnel as well.

Another half-dozen franchisees operate mobile trucks that take Domino's pizzas to sports events, carnivals and other public gatherings. Still others offer pizza by the slice, a program franchisees asked for several years ago but were denied, McIntyre says.

Mazzio's Mexican pizza weighs in at 3 pounds.



New offerings account for 25% of Olive Garden's sales.

LITTLE CAESARS PIZZA
$1,130.0MM

At Little Caesars, the emphasis is on regional products, says Chris Ilitch, corporate director of operations for the Chicago market. The chain's 206 Chicago-area stores rolled out hot-dog pizza this spring, a combination "that combines two of the Windy City's favorite foods," Ilitch says.

Unlike Domino's, Farmington Hills, Mich.-based Little Caesars is pleased with pan pizza sales.

THE OLIVE GARDEN
$440.0MM**

In June, The Olive Garden introduced its first full summer menu. New salads available until Sept. 4 include Sicilian fruit salad with green onions and walnuts and a topping of honey-mustard dressing ($4.95), and cheese and egg tortellini with tomatoes and mozzarella ($4.75). Summer dinner offerings include spaghetti carbonara ($7.50) and chicken Florentine ($8.50).

For the rest of the year, Orlando, Fla.-based Olive Garden changes the menu regularly to keep frequent customers happy. According to President Ron Magruder, 25% of sales come from brand-new offerings. Tour of Italy, a sampler plate that offers chicken Parmesan, lasagna and fettuccine Alfredo; cannelloni stuffed with chicken, beef and veal; and *pasta e fagioli*, Italian bean stew in a spicy broth, were not on the original Olive Garden menu created in 1986. New appetizers include toasted ravioli and mozzarella dijon.

The Olive Garden also plans to continue what it calls "menu events," the first of which was this spring's Carnival of Venice.

MAZZIO'S
$132.0MM

Leave dainty, thin-crust affairs to those California pizzerias. Tulsa, Okla.-based Mazzio's stands proud behind its 3-pound "heavy spec" pies, ranging from popular pepperoni to more exotic seafood-topped and Mexican-style pies.

These mammoth pizzas are behind Mazzio's drive to "make pizza king," says Greg Lippert, vice president of marketing at Mazzio's.

continued on page 58

**company estimate

400: PIZZA

continued from page 56

LaRosa's lower-fat pizzas contain real cheese but still meet heart guidelines.

Papa Gino's version of a U.S. favorite—pepperoni.

The chain will add no new products—specifically, no pasta dishes—in attempts to hike its pizza profile. The salad bar—meant to complement pizza, not replace it as an entree—will be fine-tuned, Lippert adds.

PIZZERIA UNO RESTAURANTS
$80.0MM
West Roxbury, Mass.-based Pizzeria Uno included an array of Italian dishes in its new, 60-item menu, which was rolled out in June. The new menu offers cheese tortellini ($6.95), served with sautéed vegetables and garlic bread; spinach/tortellini salad ($4.75); and Chicken Frommaggi ($7.25), boneless chicken breast baked with cheese and tomatoes.

Chicken and herb pizza, topped with chicken, farmer cheese, broccoli and an assortment of herbs, is a test item in Boston stores and is moving quite well. Customers also are taking a liking to sesame pizza crusts, also in test in Boston.

PIETRO'S CORP.
$38.0MM*
Northwest Pizza, Linnwood, Wash.-based Pietro's newest offering, takes advantage of the chain's strong presence in Washington and Oregon. The "Great Northwest Pizza," which accounts for 5% of total sales, is topped with Tillamook (Ore.) Cheddar cheese and locally made brands of pepperoni and sausage.

The chain also has rolled out Lunch Express—a 6-inch pizza, salad and drink for under $5. Kids get a similar deal with Pietro's Pizza Pal, a pizza, drink and premium, such as a curlicue straw or plastic dinosaur.

Pietro's President Bob Adamowski says the pizza menu—including the best-selling deluxe combo of mushroom, bacon, beef and sausage ($16 for a 16-in. pizza)—is set. If tests go well, a new menu addition will be Häagen-Dazs ice cream bars in one flavor—vanilla coated with chocolate.

Pietro's pizza topped with regional Northwest favorites.

LaROSA'S INC.
$33.0MM
LaRosa's new pizzas and entrees, which conform to American Heart Association guidelines for a heart-friendly diet, are getting a "warm and grateful" acceptance from patrons, says Stuart Smetts, vice president of marketing for the Cincinnati-based company.

Smetts won't reveal LaRosa's secret except to say the chain is using real cheese (not a soy cheese), real pepperoni and the chain's standard dough recipe, but in different proportions than with its fully loaded pizzas. The light pizza is 50% lower in fat, 54% lower in cholesterol and 23% lower in calories than LaRosa's traditional pizza.

Although the pizza has been well received, it accounts for only a small percentage of sales. "The biggest problem in selling it is that people do not believe it meets heart guidelines because it contains real cheese," Smetts explains.

—L.B.

A wide assortment of Italian entrees from Pizzeria Uno.

*R&I estimate

MENUS HIT BULLSEYE WITH FARE AIMED AT CUSTOMER LIFESTYLES

Family dining expertly juggles light, hearty, ethnic and dessert fare.

Menus from this year's top family dining concepts are sending four strong messages.

To customers on a restricted diet or to those with health and fitness concerns, family dining flags additional light and healthful items in all dayparts, plus items that are low in fat, cholesterol, sodium and calories.

For customers whose perception of good price/value rests on large portions and whose taste runs to comfort food, the message is: Try our new hearty down-home dishes.

For adventuresome customers looking for pronounced flavor, there is the lure of dishes inspired by ethnic cookery.

And for dessert lovers (found in all customer groups), family dining offers the irresistible appeal of bigger and bolder desserts.

In addition, these operations are trying to increase customer counts for two target markets—seniors and children. Both are being wooed by comprehensive marketing programs that include smaller portions, specially priced menu items, promos and premiums.

Other marketing trends driven by customers' lifestyles are convenience and takeout. Some chains are making mealtimes more convenient by accepting credit cards, others by quick-meal guarantees. A few are testing fax orders.

Among the family-dining chains that do active catering, the consensus is that catered events are not only profitable, but also are effective occasions for attracting new customers.

Clearly, the family-dining segment's strong performance is directly attributable to these refined, well-executed strategies for growth.

DENNY'S INC.
$1,284.0MM

Streamlining was the name of Denny's market strategy game in 1989: Both food and service were standardized, and the menu was trimmed 25%.

Denny's Grand Slam Breakfast at $3.39 is its best-selling menu item: Two hot cakes, two eggs, two strips of bacon and two sausage links. The French Slam is a new variation.

But less was also more: Trimming the menu meant making room for new items. For example, Denny's created the $3.69 French Slam, a variation on its best-selling Grand Slam breakfast ($3.39) that substitutes french toast for the hot cakes. Grand Slam breakfasts are flagged with a clock to indicate they're among the 15 "In a hurry?" breakfast and lunch menu items with Denny's 10-minute (or they're free) guarantee.

La Mirada, Calif.-based Denny's spotlights selected brand names on the back of the menu, suggests that customers ask their server if cocktails, wine and beer are available, and accepts three major credit cards.

BIG BOY
$1,009.0MM

Big Boy ended 1989 and began 1990 with a bang-up multimedia marketing campaign aimed at increasing its market share: "There's more to love at Big Boy." Customers were alerted to the new lunch and dinner items—among them Down Home entrees and Health Smart selections, which are standardized in the company test kitchen to nutritional guidelines, limiting content of salt, fat, cholesterol and calories. Detailed nutritional breakdowns are given for dishes on the back of menus. Down Home entrees such as country-fried steak, pork loin dinner, half pound of ground round, and country-style fried chicken are pitched to family diners.

Big Boy now has in-store bakeries at several locations. The Warren, Mich., company plans to take the in-store bakeries systemwide.

SHONEY'S RESTAURANTS
$862.4MM

It's a long way from the menu at the first franchised Shoney's in Madison, Tenn.—where "in-car din-

Big Boy's Boneless Breast of Chicken is one of the new Health Smart selections, standardized in company test kitchens to meet nutritional guidelines.

ing at the curb" was advertised as the big deal—to today's sit-down, full-service Shoney's, with 409 franchised and 281 company-owned units. For example, the Breakfast Bar, established in 1981, is bigger and better than ever. Offered seven days a week at all Shoney's, the average price during the week is $3.49 and on weekends, $4.49. Children 12 and under eat for $1.99. Children under 5 eat free—one child per adult meal purchase.

Shoney's, headquartered in Nashville, Tenn., just added 10 new items to its salad bars, and three spring promos in 1990—steak and shrimp, charbroiled shrimp and the seafood platter—were best sellers.

FRIENDLY ICE CREAM CORP.
$560.0MM

In 1989 a new foodservice division was established to achieve greater cost efficiencies in supplying the system's 820 restaurants. The Wilbraham, Mass., company anticipates not only improving the restaurant's competitive position and productivity but also developing retail sales opportunities for Friendly products.

Plans are under way to upgrade and renovate units (including a new color scheme) and menus, and to expand the breakfast menu. The new line of "melt" sandwiches introduced in 1989 is selling well. Friendly's best promotion of 1989, the $1.99 Kid's Meal, was so successful that it will be repeated in 1990, with baseball cards as a premium.

PERKINS FAMILY RESTAURANTS L.P.
$423.0MM

Perkins introduced two highly successful new items to the 1989 menu: Bread Bowl Salads and Skillet Scramblins'. The salads are a selection of chef, seafood chef, grilled steak, grilled lemon chicken, stuffed seafood tomato, chicken stuffed tomato or grilled teriyaki chicken served in a bowl shaped from fresh-baked french bread.

Skillet Scramblins' are breakfast entrees served on a toasted English-muffin half. Except for the Breakfast Burrito, each combination is served in its own skillet. In January 1990, Pastry Pot Pies made a timely debut.

Memphis, Tenn.-based Perkins has a Sixty-Plus Breakfast Collection and Lunch and Dinner Collection—smaller portions at lower prices for customers 60 years and older. There is also a children's menu for 12 and under on request. Mondays through Fridays (holidays excluded), lunch is guaranteed in 10 minutes, or the next meal is free.

INTERNATIONAL HOUSE OF PANCAKES
$359.0MM

Sales of IHOP's Harvest Grain'n Nut Pancake, introduced systemwide in 1989, justified the two years' product testing—it's still selling strong. Now N. Hollywood, Calif.-based IHOP is promoting serving syrups hot to enhance pancakes, french toast and waffles.

Other hot IHOP promotions included the Big Country Breakfast in midsummer: a choice of either chicken-

continued on page 66

At Shoney's, the Breakfast Bar, established in 1981, is bigger and better than ever and offered seven days a week.

FAMILY DINING ('88-'89)

Avg. sales growth	11.4%
Avg. unit growth	3.5%

TOP TRENDS

- More light and healthful menu items in all dayparts
- More hearty, down-home items, too
- Bigger, richer desserts
- A larger ethnic selection
- Stepped-up efforts to woo seniors and children

BEST SELLERS

- Denny's: Grand Slam breakfast
- Marie Callender's: Heartland American Pot Pies
- Bakers Square: The Works Burger; French Silk Pie

BEST PROMOS

- Friendly's: Kid's Meal Deal (to be repeated in '90)
- IHOP: Big Country Breakfast
- Howard Johnson's: (1989) Veal Parmigiana; (1990) Funrise Breakfast (nutritional emphasis) and Extras (extra-large portions, extra-value prices)

COMING UP

- More meatless menu items
- More credit-card sales
- More off-premise catering

A complete ranking of the 400 by segment begins on page 28.

400: FAMILY DINING

continued from page 65

Family dining enhances nutritional profile with more low-sodium items.

fried steak or biscuits, sausage and gravy, both with three eggs, hash browns and three buttermilk pancakes for $4.99.

BOB EVANS FARMS INC.
$310.0MM
Hottest-selling items at Bob Evans are meatloaf for dinner, burgers and salads for lunch, and sausage and eggs or hot cakes for breakfast. The hearty Border Scramble (flour tortilla stuffed with sausage, vegetables and topped with chili and cheese), new in 1989, is still a big seller for the Columbus, Ohio, chain, along with the two new light items introduced last year—egg-substitute breakfasts and chef's salads.

New menu items in 1990 will be Homemade Banana Pudding and a grilled marinated-chicken dish. The most significant promotion in 1989 was the focus on weekday breakfasts, stressing lighter offerings, speed of service and the price/value relationship. Special menu sections target seniors 60 and over and children 12 and under. Bob Evans currently is testing credit-card sales in about 60 stores.

The menu is bursting with down-home items and also offers lighter items, such as a fruit plate with raisin bran muffin, Charbroiled Catfish, a mini-club sandwich, and a dinner vegetable platter.

WAFFLE HOUSE INC.
$279.6MM*
The 24-hour Waffle House chain, based in Norcross, Ga., replete with rib-sticking sandwiches such as the ¼-lb. Patty Melt Plate and the Chicken Melt Plate, and The Ultimate Breakfast, the T-Bone & Eggs, has its own messages for the diet-conscious. The menu informs "those who count . . . calories, cholesterol, etc." that the ham is 95% fat free, the bacon has no sugar and is low in sodium, the cooking oil is cholesterol-free.

Waffle House also offers extra-lean pork chops, skinless chicken breast, cereals and an oat-bran muffin.

Bakers Square's The Works Burger still tips the scales at ⅓ pound, and is the perennial best-selling burger.

MARIE CALLENDER PIE SHOPS INC.
$239.0MM
The best-selling item in 1989 was Heartland American Pot Pies at $5.95.

New items in '89 were Bread Basket Stew, Southwestern Cheese-Steak Melt, Pasta Sampler trio and Chicken Sesame salad. Among "Lighter Side" selections are grilled lemon chicken, grilled halibut, and Soup and Salad Duet.

The big promo marking this year was holiday pies. Highlighting the 30 varieties of freshly made pies, the promotion ran during both Thanksgiving and Christmas. Both were highly successful, but Thanksgiving outsold Christmas.

A meatless vegetable and cheese platter comes with a side of cornbread. The beverage list includes house wines by the glass and carafe, varietal wines by the bottle, draught and bottled beer, and mineral water. Marie Callender's is examining senior-citizen dining programs, but as yet does no catering or credit card sales.

Perkins' Bread Bowl Salad, a highly successful menu item, was added in 1989.

BAKERS SQUARE
$221.0MM
Matteson, Ill.-based Bakers Square has always been perceived as having a lighter menu with fewer fried items, says a company spokesperson, even though portions are generous—for example, the burgers are ⅓ pound. The Works burger is the

continued on page 76

*R&I estimate

circle 26 ⟶

400: FAMILY DINING

continued from page 66

Trend watch: More meatless entrees appear on menus for all meal periods.

best-selling burger, year after year. Part of the customer perception that the menu is "lighter" is based on the promotional idea of eating a moderate meal in order to save room for the chain's signature pies.

Lunch business is at capacity, the company says. Dinner business is emphasized.

A current ad campaign emphasizes a light theme—healthful food—focusing on stir-fried dishes and the like. A new entree is the Mixed Grill Combo, a combination of chicken breast tenders, black tiger shrimp and filet mignon with stir-fried vegetables. Bakers Square has a new high-speed credit-card approval system.

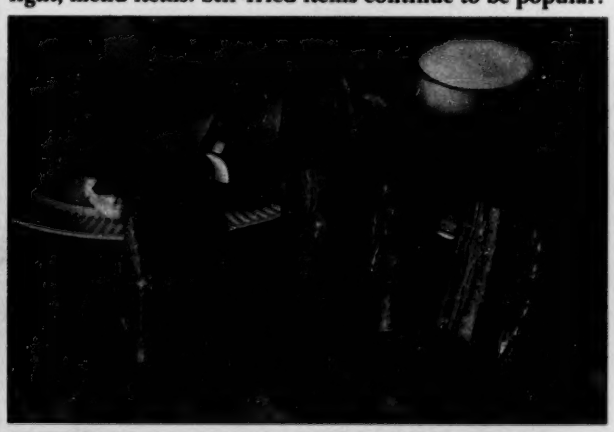
COUNTRY KITCHENS INTERNATIONAL
$175.4MM

Country Kitchen's new-in-'89 leadership team cooked up a slew of new menu items, many for lunch and dinner, the dayparts being targeted. New items include cheeseburger deluxe, mushroom cheeseburger, barbecue burger, bacon avocado burger, Fiesta Skillet breakfast (along with an egg-subsitute breakfast version), country-fried steak and eggs, Garden Omelet, fresh baked muffin, pork sandwich, grilled chicken breast salad, T-bone steak and meatloaf dinner.

In 1990 new menu item development, a key strategy in repositioning the restaurants, will build on the '89 foundation. New design prototypes also are a part of a five-year strategic plan that includes refining and improving service for a market that the Bloomington, Minn., company perceives as more sophisticated.

POFOLKS INC.
$163.2MM

Even though fried chicken is the best-selling menu item, the hottest new items on PoFolks' menu agenda in 1990 are grilled products. The new Hot Off the Grill dinners include a chicken broil, London broil (7-ounce sliced sirloin with peppercorn gravy), grilled whitefish, grilled pork chops (two), and grilled liver and onions. The new entrees, from $3.99 to $5.99, were rolled out on June 1.



Vegetarian Melt from Howard Johnson's is a fine example of the trend toward more meatless, but not necessarily light, menu items. Stir-fried items continue to be popular.

PoFolks' Pecan Pie and Ice Cream is just one of seasonal dessert promos held every three months to stimulate interest and sustain high sales.

Other objectives include expanding the catering business, now 2% of sales. The company sees it as extremely profitable, with a lower labor-cost component, and a tremendous marketing tool. The entire menu is available and promoted for takeout. At present, the Nashville, Tenn.-based company is "tickled pink" about dessert sales: About one in five of PoFolks customers order dessert. Seasonal dessert items, introduced and promoted every two or three months, serve to keep interest stimulated and sales high. The chain accepts credit cards in all restaurants. Drive-thru, currently in test in one unit, will be tested in three additional company units in 1990.

HOWARD JOHNSON'S
$105.0MM

New menu items in 1989 were definitely on the light-and-healthful side: oat-bran waffles, yogurt, shrimp primavera, tortellini and fruit platters. Conversely, the one light dessert in the Ice Cream Parlor dessert menu is Sherberific, a combination of fresh fruit and granola with low-fat yogurt or sherbet. Otherwise, Sensational Sundaes, Super Concoctions, Coolers and Freezes, rich shortcakes, fudge brownies, apple pie and double-fudge cakes reign supreme.

In 1990 the S. Weymouth, Mass.-based chain's new menu items will follow the same two paths: more light and/or healthful items such as all-vegetable entrees, and more fruit plates. There also will be new flavors of ice creams to vie with this year's Triple Berry Crunch, Chocolate-Fudge Brownie and cappuccino.

Begun in June 1990, two major promotions are aimed at two different lifestyles: nutritionally aware customers and those with hearty appetites. Funrise Breakfast will emphasise nutrition in a cooperative effort with a national health magazine and will feature nutritonal puzzles and games for adults. All-correct answers make winners eligible for a sweepstakes. The Extras promotion, on the other hand, will be Incredible Meal Deals of extra-large portions at extra-value prices—customers are encouraged to take home leftovers.

—Nancy Ross Ryan

400: CHICKEN

CHICKEN CHAINS FIGHT BACK, EXPAND MENUS AND MEALTIME

KFC tries wings and barbecue; other chains add non-fried chicken items.

Chicken chains have fallen on hard times. All-fried menus are no longer the key to success and there is not a chicken chain still thriving that has not extended its menu in some way. In an effort to draw customers in for lunch and snacktime, key players are expanding their menus with sandwiches, wings and salads. All of these items are more portable and easier to eat on the run.

Chicken chains, and most notably the segment leader, Kentucky Fried Chicken, have been notoriously slow to change their menus, testing alternative items for years before national rollout. They are finally beginning to play catch-up, realizing that a fried chicken-only menu is not likely to make it in an environment that demands variety.

Most chains have been testing non-fried chicken items with more healthful images. Some of those introduced are chargrilled chicken, roasted chicken dinners and salads topped with grilled chicken.

Part of the reason chicken chains have taken so long to introduce non-fried items, even though testing has been extensive, is that with a limited menu, space for additional equipment that would be necessary is limited.

Some chains have stretched beyond chicken, sampling alternative menu items such as seafood offerings, barbecued ribs, breakfast menus and a myriad of accompaniments.

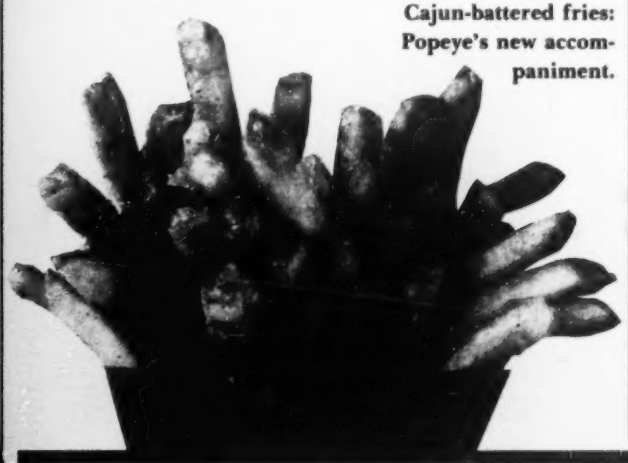
KENTUCKY FRIED CHICKEN
$5,310.0MM

Last year was a tough one for the top chicken chain. But KFC is fighting back after years of resisting substantial menu change with products such as chargrilled chicken, a full-size chicken sandwich and spicy wings.

After years of experimenting with barbecued chicken, Louisville, Ky.-based KFC switched gears and tested a chargrilled product that has since met with varying degrees of success. A test in Idaho stores was less than stellar because the product replaced barbecued chicken, a popular test product in that area. A new version is cut eight pieces to a bird, tested in about 20 stores in Louisville and Las Vegas. The chain plans finally to roll out chargrilled chicken nationally within two years.

Further expansion of lunch and snack business also is part of KFC's new plan. A full-size sandwich called The Colonel's Chicken Sandwich is slated for systemwide rollout this year to supplement the snack-size Chicken Littles. Hot Wings, chicken wings marinated in hot spices, breaded and fried—designed to pump up sales in off-peak hours were launched in March 1990. The company failed to anticipate the success of the introduction, however, and ran out of product. The

KFC pulled Hot Wings when supply ran short.



Cajun-battered fries: Popeye's new accompaniment.

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CHICKEN ('88-'89)

Avg. sales growth	-0.5%
Avg. unit growth	-2.9%

TOP TRENDS

- Testing of non-fried chicken items with a more healthful image
- Menu expansion to increase snack and lunchtime business
- Addition of non-chicken dishes such as seafood items, ribs, breakfast and side dishes

BEST SELLERS

- Fried chicken
- Boneless breast of chicken sandwiches

BEST PROMOS

- Chick-fil-A's kid's meal program tied in with children's book premiums
- El Pollo Loco's first promotion offering a 12-piece meal deal for $8.99
- Brown's Chicken Italian promotion

COMING UP

- Addition of non-fried chicken items
- Expansion of menu to attract lunchtime and snacking clientele

A complete ranking of the 400 by segment begins on page 28.

400: SWEETS

SWEETS CHAINS GO FOR BOTH SUPERRICH AND LIGHT SWEETS

Ice cream chains add yogurt, yogurt chains lighten up, doughnuts go bran.

It is not that people are shying away from sweets, it's just that they want to think the sweets they eat are "healthy sweets." Chains such as Dunkin' Donuts are fighting back with lower-fat, more healthful products. Cookie chains are adding oat-bran products and cinnamon-bun chains are trying to win customers with smaller buns.

The frozen-dessert market has fared better, but competition is tough. Ice cream chains have had to expand menus, adding low-fat and no-fat products, sugar-free products and, yes, even frozen yogurt.

On the other hand, a backlash trend in preferences for superrich desserts continues. Chains extend both premium and light listings, and most patrons just don't seem to notice when sugar-free yogurt treats are posted right next to sumptuous high-fat selections.

Overall, however, frozen yogurt has been the star, with sales increasing 20% to 30% every year. Eighty percent of frozen yogurt sales are away from home, which should be encouraging for frozen yogurt chains. But everyone is selling it: ice cream shops, supermarkets and fast-food restaurants. Frozen yogurt chains are fighting back by introducing new products such as frozen yogurt pies, mix-in products and artificially sweetened frozen yogurt.

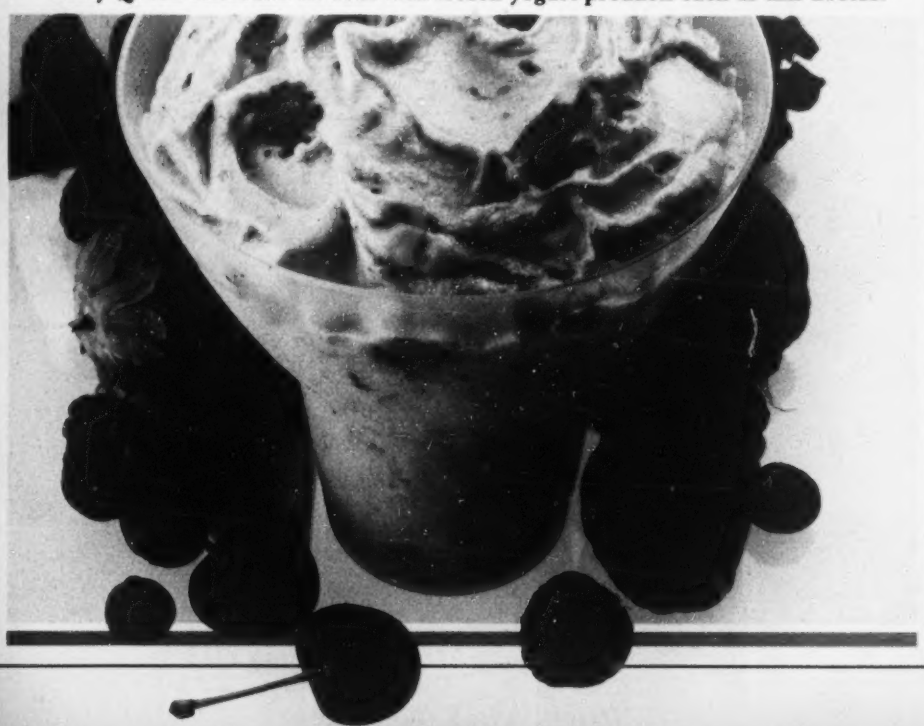
DAIRY QUEEN
$2,179.0MM

The top ice cream chain is gearing up for its 50th birthday in 1990.

The spring of 1990 saw the addition of nonfat, cholesterol-free frozen yogurt to many stores. The soft-serve vanilla-flavored yogurt can be bought in cones, sundaes and novelties such as the "Breeze" frozen yogurt treat, which has fruit toppings or chocolate, cookie or candy ingredients blended into the yogurt. Frozen yogurt is available in roughly half of Dairy Queen stores.

The Bloomington, Minn.-based company also is offering customers a new soft-serve treat called the Waffle Cone Sundae: A large waffle cone is filled with soft-serve ice cream, topped with any sundae flavor and sprinkled with nuts. *continued on page 96*

Dairy Queen celebrates its 50th with frozen yogurt products such as this Breeze.



SWEETS ('88-'89)

Avg. sales growth	−0.7%
Avg. unit growth	0.2%

TOP TRENDS

- Diversifying menus to meet demands for superrich as well as "healthful" sweets
- Using premium and "brand-name" sweets to set company apart from grocery and fast-food competition
- Licensing other companies to sell product, as a low-cost expansion technique

BEST SELLERS

- Soft-serve yogurt
- Anything mixed or paired with yogurt, such as Dairy Queen's Breeze, a mix-in yogurt shake, or Häagen-Dazs' yogurt-and-fruit combo lunches
- Baked goods made with oat bran

BEST PROMOTIONS

- I Can't Believe It's Yogurt's first national direct-mail campaign targeted to cable television watchers
- Bresler's "Grand Slam" promo offering all-expenses-paid trip for four to the 1990 Major League Baseball all-star game

A complete ranking of the 400 by segment begins on page 28.

400: SWEETS

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The frozen-dessert market has fared better, but competition is tough. Ice cream chains have had to expand menus, adding low-fat and no-fat products, sugar-free products and, yes, even frozen yogurt.

On the other hand, a backlash trend in preferences for superrich desserts continues. Chains extend both premium and light listings, and most patrons just don't seem to notice when sugar-free yogurt treats are posted right next to sumptuous high-fat selections.

Overall, however, frozen yogurt has been the star, with sales increasing 20% to 30% every year. Eighty percent of frozen yogurt sales are away from home, which should be encouraging for frozen yogurt chains. But everyone is selling it: ice cream shops, supermarkets and fast-food restaurants. Frozen yogurt chains are fighting back by introducing new products such as frozen yogurt pies, mix-in products and artificially sweetened frozen yogurt.

DAIRY QUEEN
$2,179.0MM

The top ice cream chain is gearing up for its 50th birthday in 1990.

The spring of 1990 saw the addition of nonfat, cholesterol-free frozen yogurt to many stores. The soft-serve vanilla-flavored yogurt can be bought in cones, sundaes and novelties such as the "Breeze" frozen yogurt treat, which has fruit toppings or chocolate, cookie or candy ingredients blended into the yogurt. Frozen yogurt is available in roughly half of Dairy Queen stores.

The Bloomington, Minn.-based company also is offering customers a new soft-serve treat called the Waffle Cone Sundae: A large waffle cone is filled with soft-serve ice cream, topped with any sundae flavor and sprinkled with nuts. *continued on page 96*

Dairy Queen celebrates its 50th with frozen yogurt products such as this Breeze.

SWEETS ('88-'89)

Avg. sales growth	−0.7%
Avg. unit growth	0.2%

TOP TRENDS

- Diversifying menus to meet demands for superrich as well as "healthful" sweets
- Using premium and "brand-name" sweets to set company apart from grocery and fast-food competition
- Licensing other companies to sell product, as a low-cost expansion technique

BEST SELLERS

- Soft-serve yogurt
- Anything mixed or paired with yogurt, such as Dairy Queen's Breeze, a mix-in yogurt shake, or Häagen-Dazs' yogurt-and-fruit combo lunches
- Baked goods made with oat bran

BEST PROMOTIONS

- I Can't Believe It's Yogurt's first national direct-mail campaign targeted to cable television watchers
- Bresler's "Grand Slam" promo offering all-expenses-paid trip for four to the 1990 Major League Baseball all-star game

A complete ranking of the 400 by segment begins on page 28.

400: SWEETS

continued from page 93

Yogurt and ice cream in soft-serve form continue to win rave reviews.

DUNKIN' DONUTS INC.
$880.0MM
Dunkin' Donuts, Randolph, Mass., is recovering from a year of changes. The chain was bought by Allied-Lyons, which then acquired rival company Mister Donut in early 1990. The company is looking to expand at low cost by distributing baked goods through smaller, kitchenless satellite stores and to convenience stores.

The improved line of cookies introduced in '89 and highly successful rollout of oat-bran muffins and doughnuts continue to boost sales. Dunkin' Donuts also is in the process of introducing bagels to its line of more healthful products.

BASKIN-ROBBINS
$676.4MM*
Baskin-Robbins, Glendale, Calif., is dipping into light desserts, sugar-free treats and frozen yogurt to boost flagging ice cream sales and to appeal to a more health-conscious market.

Three noteworthy new products are Baskin-Robbins Light, a new 93% fat-free, ice cream-like frozen dessert; frozen yogurt, now in half of U.S. stores; and a repackaged take-home line, which includes Baskin-Robbins SugarFree selections.

TCBY ENTERPRISES
$303.0MM
Last year's introduction of the mix-in frozen yogurt product, Shivers, proved successful. A new nonfat yogurt was introduced in January after several months in research and development. The product adds to Little Rock, Ark.-based TCBY's already healthful profile with flavors such as macadamia nut and strawberry.

CARVEL CORP.
$175.0MM**
This was a pivotal year for Carvel, the year that saw the retirement of its founder, Thomas Carvel and the sale of the company to Investcorp. New president Steven Fellingham wants to revive some old classics—such as Lalapaloozas and Flying Saucers—but intends to keep the emphasis on soft-serve ice cream.

The Yonkers, N.Y-based company plans to build business with contemporary flavors and toppings. As part of this strategy, several products were added in 1989, including Lo-Yo, a soft-serve frozen yogurt.

THE HÄAGEN-DAZS SHOPPE CO.
$63.5MM*
In 1989, Teaneck, N.J.-based Häagen-Dazs launched a product drive intended to give the chain a powerful new expansion vehicle. Premium soft ice cream with a 16% butterfat content, introduced last year, now contributes 10% to 30% of sales in the 10 shops where it has been introduced.

A gourmet frozen yogurt also is part of the new plan. The product tested in 1989 went back to R&D, which came up with six new flavors that now contribute 15%-18% of revenues in stores that carry it. Häagen-Dazs also began testing a lunch program of yogurt shakes and fresh fruit plates with yogurt or sorbet.

I CAN'T BELIEVE IT'S YOGURT
$44.6MM
This Dallas-based regional chain rolled out its first national direct-mail campaign and first TV commercial in spring 1990 in an effort to establish the company as a major player among frozen yogurt chains. The direct-mail program went to 34 million U.S. households in May. It contained three different coupons: buy one, get one free; 50 cents off medium or large cup; and $1 off quarts and gourmet pies.

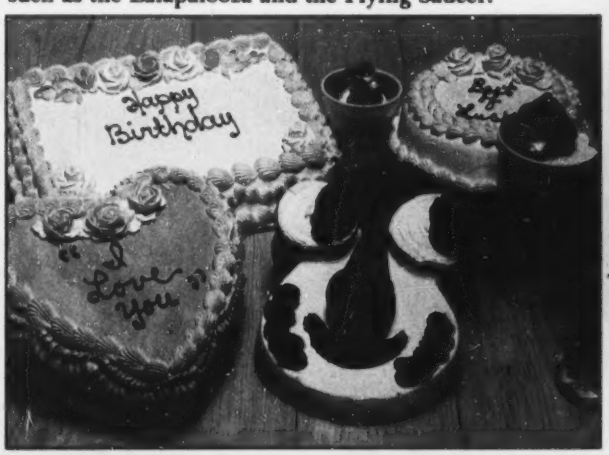
Like many other chains, I Can't Believe It's Yogurt added a sugar-free nonfat frozen yogurt in '89. The company plans to expand the line into take-home products in '90.

BRESLER'S INDUSTRIES INC.
$35.0MM
Bresler's strategy is to promote superpremium ice cream and to lure new customers with a light yogurt. The Des Plaines, Ill.-based company concentrated on higher-ticket items, including the expansion of superpremium Royale Cremes. As President David Lasky puts it, "Customers love the taste and texture of superpremium ice cream and the idea that they're getting a high-quality product for a reasonable price."

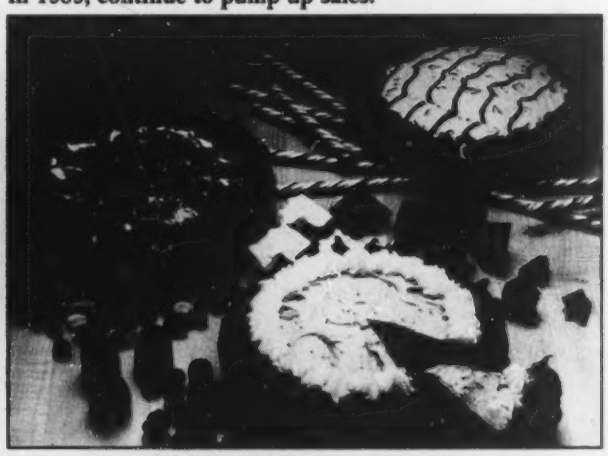
The light frozen yogurt added to the menu is sweetened with aspartame and has 27 calories per ounce.

—N.B.

Carvel's new owners want to bring back some classics, such as the Lalapalooza and the Flying Saucer.



I Can't Believe It's Yogurt's frozen yogurt pies, launched in 1989, continue to pump up sales.



*R&I estimate; **company estimate

400: STEAK/BBQ

MEAT 'N' POTATOES BRANDS MAKE ROOM FOR LIGHT EATERS

Sandwiches and low-cal plates add menu variety, build lunch business.

Steakhouse companies are rethinking their menu and marketing strategies in the wake of Ponderosa's acquisition of Bonanza, which gives the newly formed Metromedia Steakhouses a total of 1,310 units—twice as many as segment frontrunner Sizzler.

Ponderosa has chosen a "value-oriented positioning" that emphasizes steak, while Bonanza's current upscaling plans center on higher-priced, higher-quality items such as shrimp. Sizzler's expansion of food-bar and grilled offerings is part of the company's long-term repositioning as a mainsteam family-dining restaurant.

Even steakhouse and barbecue companies not trying to soften their meat 'n' potatoes image are working hard to give customers some alternatives. Chicken and seafood entrees are still infiltrating menus. In other cases, carefully orchestrated meals of vegetables and small meat portions appeal to calorie counters.

Despite some agonizing over food costs and food safety, most companies say elaborate salad and hot-food bars are now an indispensable part of their menu mix.

"It's our No. 1 feature," says Derald Linn, executive vice president of Sirloin Stockade. "We call ourselves a steakhouse, but a majority of customers come in for the bar."

A few operators are exploring takeout and delivery as sources of new revenue. For instance, Damon's Inc. is testing separate takeout entrances, as well as running trial promos during holidays and Super Bowl season.

SIZZLER RESTAURANTS INTL.
$925.0MM

Los Angeles-based Sizzler has dropped the steaks-seafood-salad tagline in favor of the new Buffet Court & Grill as part of a decade-long repositioning strategy aimed at broadening customer appeal. Analysts upgraded the company's stock rating based on evidence that the new rollout has boosted same-store sales.

New to the Buffet Court, or hot-food bar, are appetizers such as fried vegetables and chicken wings, as well as desserts. A make-your-own sandwich setup also is part of the spread. Grill offerings, made in the kitchen, include grilled chicken, sausage and tuna sandwiches.

PONDEROSA INC.
$687.0MM

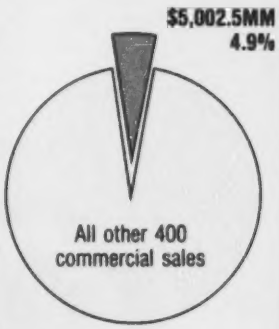
A new menu rolled out last December features a longtime favorite, the Ponderosa Ribeye, a Kansas City strip steak and several other

continued on page 106

Ponderosa's $3.99 ribeye dinner comes with all-you-can-eat Grand Buffet.

STEAK/BARBECUE ('88-'89)

Avg. sales growth	4.5%
Avg. unit growth	0.0%



TOP TRENDS

- Introducing lighter entrees for calorie-counting customers
- Expanding sandwich lines, either grilled or make-your-own
- Holding the line on menu prices, despite cost increases for beef and other products
- Fine-tuning salad, hot food and dessert bars, which continue to be key customer draws

BEST SELLERS

- Paragon Steakhouse Restaurants: prime rib
- Mr. Steak: petite-cut sirloin
- Bobby Rubino's: barbecued baby back ribs

BEST PROMOS

- Stuart Anderson's: Summertime Dinners with choice of four to five entrees, corn on the cob, watermelon
- Sirloin Stockade: Kids Eat Free on Thursdays
- Damon's: 10th Anniversary Ribfest

A complete ranking of the 400 by segment begins on page 28.

400: STEAK/BBQ

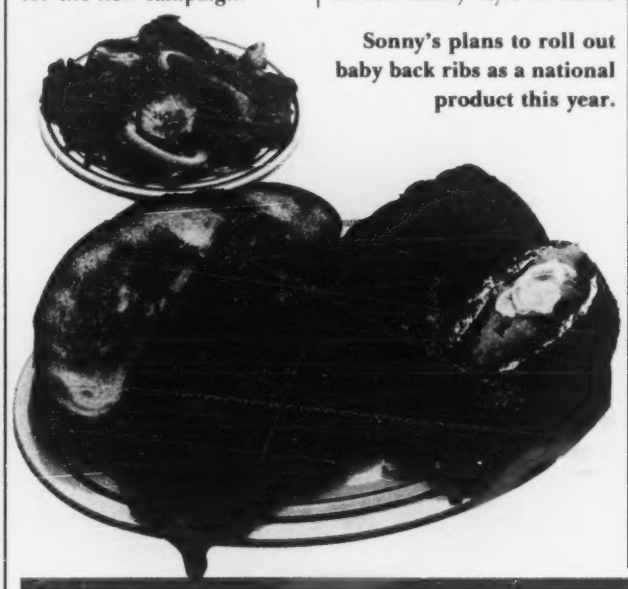
continued from page 105

Chains are exploring takeout, delivery options for easy-to-hold barbecue.

steaks. Pricing is set to enhance what a spokesman for the Dayton, Ohio-based chain calls "Ponderosa's value-oriented positioning"; typical pricing is $3.99 for the ribeye dinner and $7.99 for the strip steak dinner.

Ponderosa has made two smooth marketing moves to help play out its new plans. The chain has assigned its $17 million advertising account to The Richards Group, the Dallas-based agency that helped TGI Friday's set up its successful "American Bistro" niche. In addition, Ponderosa President Michael Jenkins, former CEO at Friday's, has brought aboard Holly Young, the Friday's executive instrumental in developing the bistro menu.

The Richards Group's mandate is to promote menu specials via price-focused radio and television spots. The agency already has signed Tom and Ray Magliozzi of National Public Radio's "Car Talk" as spokesmen for the new campaign.



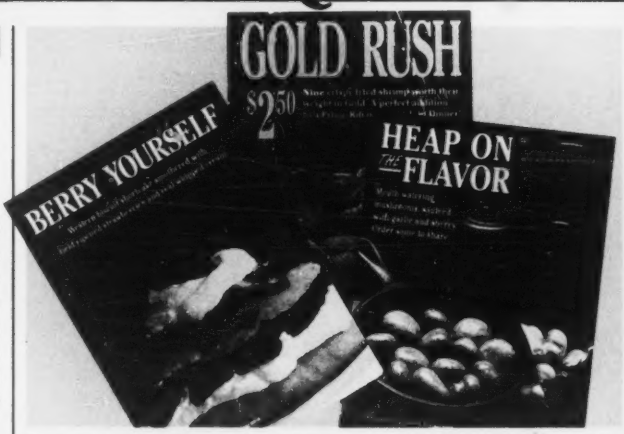
Sonny's plans to roll out baby back ribs as a national product this year.

BONANZA RESTAURANTS
$588.0MM
Shrimp won star billing as Dallas-based Bonanza began an "upgrade and diversification of its menu." A steak-and-shrimp combo was a popular addition, and a promo for all-you-can shrimp ranked as the top promotion of the year.

In the works for 1990 are two choice sirloin items and one broiled seafood entree. Lighter Fare, a section devoted to healthful items, is the latest addition to the Freshtastiks Food Bar.

More aggressive, retail-oriented advertising campaigns also will attempt to build traffic. Examples of targeted promotions include senior discounts and Bonanza Split Night, a build-your-own banana split special featured on slow nights.

STUART ANDERSON'S BLACK ANGUS/CATTLE COMPANY
$185.3MM
Appealing salads of crisp greens and vegetables, served family style in bowls



Stuart Anderson's menu inserts support TV and radio ads for specials such as its Summertime Dinners.

sized for the number of diners at a table, have replaced individual dinner salads at Stuart Anderson's. Customers can have as many refills as they like; dressings are served on the side, so each person can choose his or her own. In customers' eyes, the new salad "adds value to the meal," says Julia Stewart, vice president of marketing for the Los Altos, Calif.-based company.

SONNY'S REAL PIT BBQ
$80.7MM
More sophisticated product R&D helped push up customer counts 12% over the past year. The Gainesville, Fla.-based company hopes to make baby back ribs a national product this year. Other successful experiments: barbecue techniques for fish and shrimp, and rich desserts such as key lime and peanut butter pies.

Easy-to-hold barbecue seems like a natural for home delivery and Sonny's is exploring that option, according to President Robert Malkani. Off-premise catering is already big business.

SIRLOIN STOCKADE INTL.
$57.3MM
Three new Lite 'n Lean meals consist of a 3- to 4-ounce portion of charbroiled beef, chicken or fish, 2-3 ounces of rice pilaf, steamed carrots and broccoli, and an on-the-plate salad of lettuce, celery and carrot sticks. The well-filled plates weigh in at 350 calories and are priced at $4.99.

A customer contest gave the All You Can Eat Salad, Hot Food & Dessert Bar a new and more succinct name: ExtravaganzaBar. Big U-shaped bars with oak, brass and etched glass in new stores give the hot-food bar more prominence. An Extravaganza meal costs $4.79.

Three higher-priced sandwiches help boost check averages: the BBQ ($3.69); the Filly West, thinly sliced rib eye steak piled on a hoagie bun ($4.29); and the French Dip ($3.99).

RUTH'S CHRIS STEAK HOUSE INC.
$50.0MM
Celebrating 25 years in business, founder Ruth Fertel sticks to the company's niche as "The Home of the Serious Steak." Despite steep rises in beef prices, the company has refused to make quality compromises.

A mixed-grill trio of 6-7 ounces each of fillet, prime pork chop and chicken breast has scored well with this year. Fresh salmon has gone on menus across the country. ***—Toni Lydecker***

DOWN WITH RICH SAUCES, UP WITH HEALTHFUL ETHNIC FOODS

Distinctive spices and cooking techniques add flavor, not fat.

Low-fat, but flavorful. That's the big food focus at dinner houses around the country. "People talk about healthy food, but still want something satisfying," says Jim Parish, director of finance and public relations at Chili's.

To deliver, dinner-house chains and multiconcept operators have expanded entree salad sections with the addition of healthful but hearty offerings, and are delving more deeply into ethnic cuisines that use distinctive spices, marinades and cooking techniques—rather than rich sauces—to make food taste good.

Appetizers and entrees flavored with Mediterranean, Southwestern/Mexican and Asian seasonings, then grilled, stir-fried or roasted in wood-burning ovens, figure prominently on lists of new menu additions.

At the same time, high-grade steaks are replacing some burger offerings—a move based on the theory that customers eating red meat less frequently will trade up to top-quality red meat in small quantities. Similarly, even though alcohol consumption is down, chains are promoting specialty drinks made with expensive, brand-name liquors.

Updating their image along with the food, many large dinner-house chains are shedding stodgy '70s-esque menu formats in favor of bold, uncluttered menu designs with contemporary styling.

TGI FRIDAY'S INC.
$400.6MM

"People may be conscious of health issues, but they still want to indulge," says Friday's Vice President of Research and Development Rick Crossland. That explains why Dallas-based Friday's new menu (rolled out in May) includes a chargrilled potato salad up front and a three-layered cookie pie with ice cream, hot fudge, caramel and whipped cream at the back. New sandwich selections similarly balance; a chargrilled vegetable pita on the one hand and a steak baguette on the other. Also added in May: appetizer portions of Thai chicken and chargrilled quesadillas; a deep-fried fish platter; broken noodles, a new pasta dish; and broiled scallops.

Friday's also added more healthful selections to its children's menu—pasta straws and a fresh-fruit and cheese plate—in answer to parents' requests. Looking ahead, the company plans to add more Pan-Asian foods.

CHILI'S INC.
$371.3MM

The evolution of Chili's menu, which began in '83, is nearly complete. Then the menu was 65% burgers; now burgers make up only 12% of the menu mix. Latest additions, which debuted in April 1990, are two entree salads: One features grilled, marinated chicken served Caribbean-style with pineapple chunks, honey-lime dressing and a side of *pico de gallo*; the other features grilled, marinated shrimp with Caesar dressing and [illegible]mano and Parmesan [illegible]eeses.

Earlier additions, a coun[illegible]y-fried steak in late '89 and [illegible] sirloin steak in January '90, broadened Chili's menu to offer options without adding new equipment or slowing down kitchen operations, according to Jim Parish. He says the Dallas-based company will make more subtle menu changes in the next year. For example, the company has been replacing milkshake machines as they go down with yogurt machines.

THE GROUND ROUND INC.
$262.7MM

Since International Proteins Corp. bought The Ground Round from Hanson Group USA in 1989, the company has been gearing up for rapid expansion—plans that necessitated development of a stronger, more contemporary image for the South Weymouth, Mass.-based chain. To handle the task,

Fajitas still hot at Chili's; entree salads big, too.

New menu designs: less clutter, brighter, bolder.

IPC brought new chairman Michael O'Donnell over from an executive position at TGI Friday's in early 1990.

Under O'Donnell's direction, the chain completely redid its menu in May and kicked off an advertising campaign in June to support the changes. "It's a major overhaul," says O'Donnell. "If you look at the previous palate profile, our menu was dominated by heavy items. To add balance, we introduced a lot of lighter things." Among the 21 new items, seven new appetizers range from skin-on french fries to chips and salsa. New entrees include baked sole and shrimp scampi. Most significant, however, is The Ground Round's introduction of a completely new salad section with nine entree salads and a house salad.

Physically, the menu itself bears no resemblence to its precursor. Color photographs of food have replaced line drawings and sections have been streamlined to eliminate clutter.

The Ground Round's new slogan, "Where kids can relax and adults can have fun," accompanies four-color photos of new food items printed on ads, in-store posters and table tents.

HOULIHAN'S
$190.2MM
Continuing its focus on intensity of flavor, Houlihan's, Kansas City, Mo., introduced two appetizers on its spring menu: the Baja Bite, a spicy chicken taquito, and Szechwan fried calamari. Also new: a tortellini salad.

The spring menu, illustrated with color photographs of chic female models, is a slight update of the substantial menu revision Houlihan's completed last fall: Believing that former menus were cumbersome and encyclopedic, Houlihan's stripped out unnecessary descriptions, increased the type size to make copy easier to read and consolidated sections to cut clutter.

In coming months, Houlihan's will be updating its side dishes to reflect contemporary eating habits: more grilled items, less fat, more variety.

RUBY TUESDAY
$166.0MM**
Gearing up for expansion (38 new units planned this year), Mobile, Ala.-based Ruby Tuesday changed its menu contents and design to shed some '70s wrinkles—an overgrown burger section, dated line art and cutesy hand lettering—in favor of a streamlined '90s version. The newly straightforward list of specialties is flanked by an ample appetizer, salad bar and sandwich list on one side and a trim burger section, brand-new entree salad list, kids menu and dessert roster on the other.

Five new entree salads range from a tostada salad to Chicken Salad Supreme. Southwestern chicken, Smokey Mountain chicken, chicken teriyaki, and Mile High Lasagna are among the new entrees.

RED ROBIN INTERNATIONAL
$124.0MM
The replacement of several Japanese top guns by Americans at Irvine, Calif.-based Red Robin precipitated the chain's menu overhaul in April. "We wanted to put more fun back into Red Robin," says Marketing Di-

continued on page 114

Ground Round: nine new entree salads.

DINNER HOUSES ('88-'89)

Avg. sales growth	8.1%
Avg. unit growth	5.9%

TOP TRENDS

- Substituting flavor for fat: more ethnic additions, more entree salads, chicken, fish, vegetables and pasta
- Grilling, stir-frying and roasting in wood-burning ovens
- Encouraging splurging with ultra-rich desserts, high-grade steaks, specialty dri
- M au designs shedding stod y image, cutting clutter

BEST SELLERS

- Bombay Bicycle Club: Yaki Soba (traditional Japanese buckwheat noodles)
- J.B.'s: fresh food buffet
- TGI Friday's: burgers, blackened-Cajun chicken sandwich and loaded potato skins
- Chili's: fajitas

COMING UP

- Increased emphasis on healthful side dishes with ethnic influence
- More attention to children's menus and senior-citizen menus
- Experiments with takeout and delivery likely to increase

A complete ranking of the 400 by segment begins on page 28.

**company estimate

400: DINNER HOUSES

continued from page 113

Grilling, stir-frying and roasting bump sautéing from the spotlight.

rector Susan McNamee.

According to McNamee, the menu Red Robin launched last year under the Japanese leadership was too formal. The new menu, with freewheeling illustrations of a giant red robin wielding perilous stacks of burgers, fries, shakes and pizzas, goes back to a style that flourished under chain founder Gerry Kingen.

Additions to the menu include five pizzas, five pasta dishes and a few new burgers and sandwiches.

For the summer, Red Robin launched a special menu (rolled out in June). The tropical motif, signaled on the cover by a vibrant illustration of a Red Robin in a fruit-laden Carmen Miranda-style hat, carries through from appetizers (Maui wings and Hawaiian coconut shrimp), to desserts (Strawberry Tall Cake and Key Lime pie). As part of the promotion, Red Robin also launched a self-liquidating drink promotion: buy the drink; keep the glass.

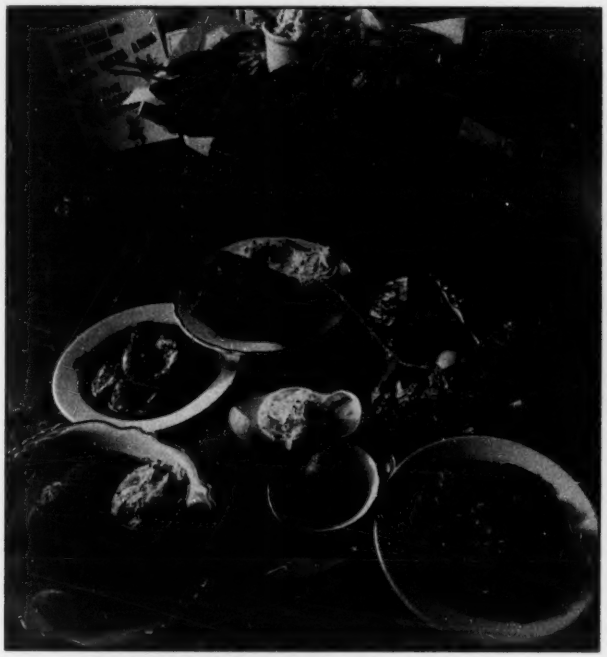
Following the summer special menu, Red Robin plans a first-ever special fall menu. The company also premiers mercantile sales (jackets, puppets, T-shirts, etc.) this year.

J.B.'S RESTAURANTS INC.
$109.4MM

The gradual evolution from J.B.'s former identity as a part of the Big Boy chain to its current status as a separate, contemporary family restaurant group was completed in 1989.

Menu revisions mirrored the gradual shift: 1987's menu was a Big Boy standard, right down to the chubby cartoon kid in checkered pants. A 1988 update lost the cartoon and relegated the Big Boy tie-in to a subhead on the cover. The most recent version from mid-1989 went a lot further: "The overall brighter look matched the change in decor and uniforms we just completed," says Bill Vest, director of new product development. Content-wise, categories changed to include "Half Sandwiches/Plus," an expanded Lite Side section, and for the first time, "Something Special For Seniors."

Red Robin's Jamaican chicken and Hawaiian shrimp.



Bub City, LEYE's crab shack/barbecue.

The new format also moved breakfast onto a separate menu. "We were able to speed turnover by taking it off the lunch/dinner menu," says Vest.

The success of the six-month-old menu has been good enough, Vest says, that only a few changes—new chicken sandwiches and breakfast scrambles—will be made this year. J.B.'s is concentrating on enhancement of its fresh food buffet, hot food and breakfast buffets, and its most recent addition: a frozen yogurt and sundae buffet.

The company is also testing in-store bakeries in Salt Lake City area stores.

LETTUCE ENTERTAIN YOU ENTERPRISES INC.
$85.0MM

Combining the operational efficiency of a large chain with the personal touch of an independent restaurateur, Chicago-based Lettuce Entertain You introduced Heart Healthy menus at all 20 of its restaurants this spring. Executive chefs at each restaurant followed guidelines set by the American Heart Association of Metropolitan Chicago and Lettuce Executive Chef Russell Bry to produce the special menus that change monthly. Featured items are low in fat (less than 30% total calorie content), salt (less than 1000 mg) and cholesterol (less than 100 mg).

Bry says Lettuce worked on the program for nine months before launching it. Other projects—the launch of Bub City, a country-western barbecue/Gulf Coast crab shack; and Tucci Milan, a big-city version of Lettuce's country-Italian Tucci Benucch concept—were the food focus at Lettuce in '89.

THE LEVY RESTAURANTS INC.
$70.0MM

Catering to couch potatoes and workaholics holed up at

continued on page 116

400: DINNER HOUSES

continued from page 114

Side dishes, children's menus and seniors' menus gain importance.

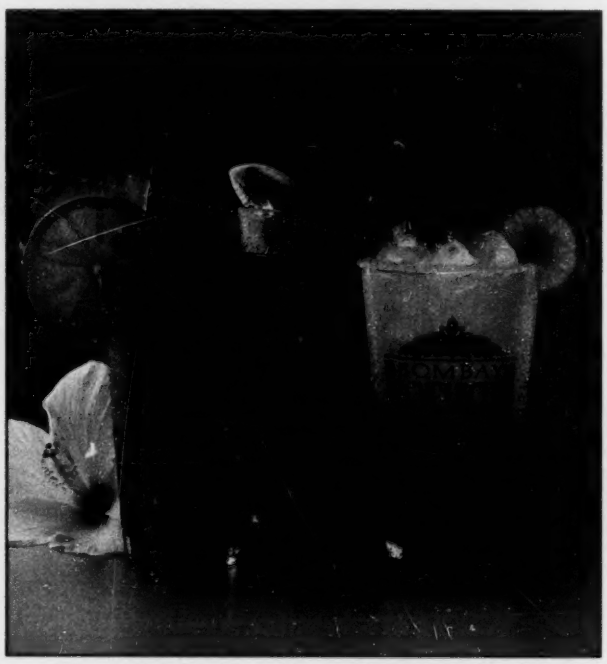
night in offices, Chicago-based Levy launched its own delivery service in May. Called Chef's Express, the delivery service allows customers to call in and order an appetizer from one Levy restaurant, an entree from another and dessert from a third. There is no delivery charge. Meals are transported in a fleet of refrigerated and heated vans manned by delivery staff in chefs' whites. "The service really reinforces our identity and shows customers the breadth of variety they can get from Levy," says Marketing Director Pam Friend.

Beyond the Express launch, Friend says Levy has put its menu development energies into creating healthful new dishes at many of its concepts. Cafe Spiaggia introduced a cheeseless pizza. Bistro 110's new menu has more entree salad options and vegetarian appetizers. The City Tavern just added a wood-burning brick oven to roast chicken and fish and to bake pizzas.

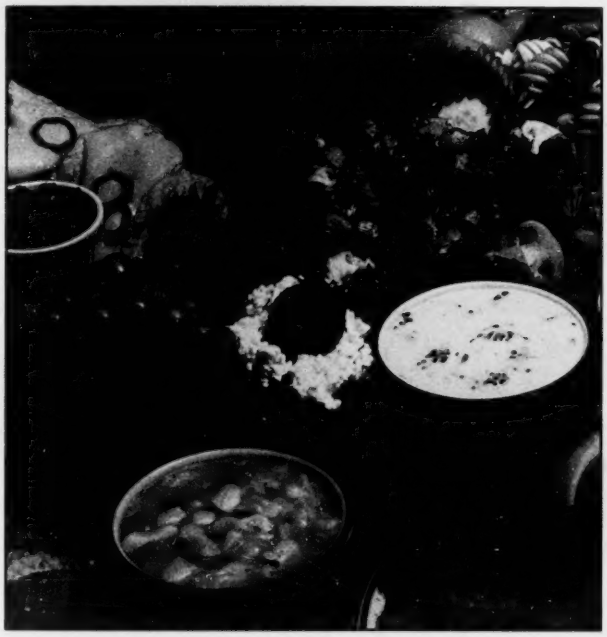
Levy has also been working with dietitions to analyze menu items and might start listing calorie, fat, sodium and cholesterol contents for some items.

BOMBAY BICYCLE CLUB
$61.3MM
With the nod from new parent Industrial Equity (Pacific) Ltd., Bombay Bicycle Club has jumped into some pretty spiffy new clothes for the '90s. Interiors, exteriors, tabletops, uniforms and menus reflect the fresh approach.

Menu selections do, too. Marketing Director Jerry DeLucia says 65% of the menu changes are reformulations. The traditional London Broil on the old menu, for example, is reborn as smoked sirloin slices on the new menu. "We wanted to retain some familiar items for customers to connect with, but we also wanted to add things that differentiate us from our competitors," says DeLucia.



"Buy the drink, keep the glass" promos a focus.



J.B.'s expanded its Lite Side section.

Yaki Soba, for example—traditional Japanese buckwheat noodles stir-fried with vegetables and a choice of shrimp, chicken or steak in sesame oil, sake, ginger, garlic, soy sauce, orange peel, sesame seeds and chili peppers—is the current customer favorite. Another winner: Bombay shrimp curry—served with rice, coconut, almonds, mango chutney, bananas with lime and Indian Marmalade.

The Tarzana, Calif.-based company expanded its dessert section, added an a la carte section of side dishes and has been emphasizing specialty drinks with self-liquidating promotions. "People may be drinking less alcohol but they're drinking better," says DeLucia.

C ATIVE RESTAURANT
M AGEMENT
$ .5MM
W th the focus on expanding its Annie's Santa Fe and Fred P. Ott's concepts, Creative Restaurant Management, Shawnee Mission, Kan., has revised menus at both. A new grill menu, introduced at Annie's in May as an adjunct to the regular menu, features items that go beyond tried-and-true Tex-Mex offerings. Items include a double breast of chicken marinated in cilantro and citrus, fresh grilled fish, *carne asada* (marinated rib-eye steak), Navajo Ranch baby back ribs, and a salad of chicken and avocado with four new dressing options.

At Fred P. Ott's, Creative Restaurant Management's burger concept, high-grade steaks and rib dishes have been replacing burgers. "We're beefing up the menu to bring in more dinner business," says McPeake.

—Monica Kass

400: MEXICAN

WHOLE-WHEAT QUESADILLAS AND SEAFOOD BURRITOS ARRIVE

Fresh, light and *cholesterol-free* take leading roles on bills of fare.

Tacos are Taco Bell's mainstay, but tostadas, burritos, bean cups and cinnamon twists add menu variety.

Chains are capitalizing on the public's penchant for lighter fare as Mexican food's popularity spreads.

El Torito and Red Onion are pioneering a switch to cholesterol-free cooking oils, whole-wheat tortillas and light sour cream. Along with Acapulco Restaurants, Casa Olé and Carlos Murphy's, they also have added more fresh fish and shellfish entrees. Two Pesos was one of the first fast-food chains to introduce a fish item. Others are exploring the possibility.

Fajitas still dominate most menus. Combination platters continue to be hot sellers because they offer good price/value; portions look big (and generally are) and they provide variety. And fast-food companies are increasing snack and add-on items to boost off-hour business and raise average checks.

Red Onion and Garcia's report significant increases in their takeout business. Off-premise catering also is on the rise; Casa Olé has set up a catering division in Houston.

TACO BELL
$2,129.5MM*
Taco Bell's 59-cent menu, featuring bean burritos, tostadas, nachos, and pintos and cheese, coupled with free drink refills, offers customers a wide choice at an incomparable price.

Last fall, the Irvine, Calif.-based chain unveiled Tacos-To-Go in six- and 10-pack formats. Aside from drive-thru, this was TB's maiden foray into off-premise business. In July it also launched a new pocket taco.

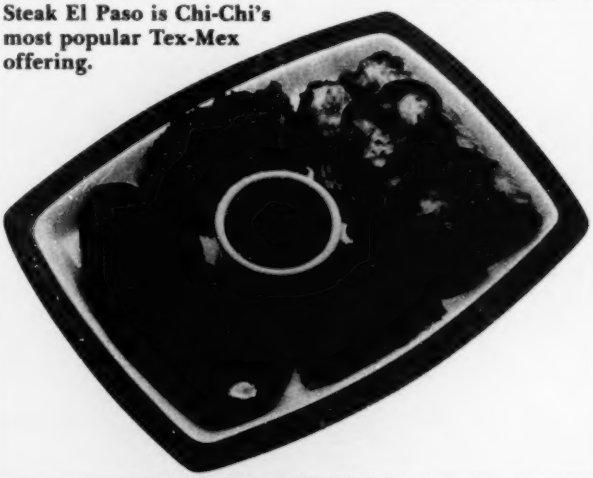
In Taco Bell's crystal ball for 1991: breakfast.

CHI-CHI'S INC.
$430.5MM
Chi-Chi's, eyeing value, added nachos, plus several platters: a Chajitas—Chi-Chi's name for fajitas—combo (steak or chicken enchilada, a burrito, Mexican salad and Spanish rice) and an Ultimate Combo (cheese nachos, Grande Burro, enchilada, taco, chili con queso, Spanish rice, refried beans and Mexican fried ice cream).

Chi-Chi's also rolled out Steak El Paso, a grilled seasoned steak, basted with jalapeño barbecue sauce, served with two pepper-Jack cheese

continued on page 122

Steak El Paso is Chi-Chi's most popular Tex-Mex offering.



MEXICAN ('88-'89)

Avg. sales growth	4.3%
Avg. unit growth	0.3%

TOP TRENDS
- Switching to cholesterol-free oils and other healthful substitutes
- Introduction of more seafood items
- Regional and store-level training programs that focus on senior citizens and hourly employees
- Credit-card acceptance (Two Pesos) and tests (Taco Bueno and Del Taco)
- Under $1 pricing programs

BEST SELLERS
- Seafood entrees
- Fajitas
- Combination platters

BEST PROMOS
- Carryout and off-premise catering
- Low-priced snack items and party menus to boost average checks and build off-hours traffic
- Taco Bell's *Batman* promotion, which increased sales 100%

A complete ranking of the 400 by segment begins on page 28.

*R&I estimate

400: MEXICAN

continued from page 121

Full-service operators report an upswing in catering and takeout.

enchiladas and Spanish rice. It is the No. 1 seller.

EL TORITO RESTAURANTS INC.
$379MM
El Torito, Irvine, Calif., switched to cholesterol-free cooking oil, whole-wheat quesadillas and light sour cream. Fresh fruits are replacing rice and beans on many standard entrees.

Several seafood offerings, rolled out in March, include a seafood burrito and mahi mahi fajitas and tacos.

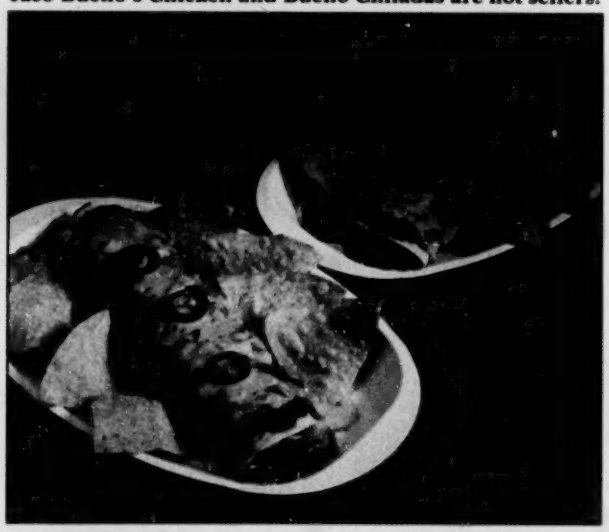
A whole-wheat chicken and Monterey Jack cheese quesadilla is served with four taquitos and fresh fruit, and a seafood quesadilla. New appetizers, called "Mexican Munchies," include Macho Nachos, layered with spicy beef, chicken, cheese, jalapeño slices and diced tomatoes; mini-chimichangas with melted cheese and ham bits; and beef mini-taquitos.

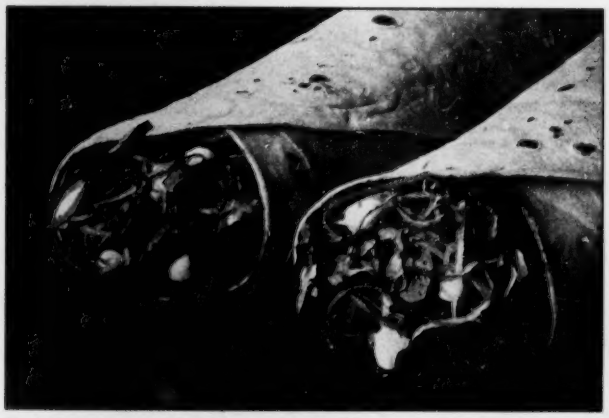
DEL TACO INC.
$216.0MM*
Big news at the 24-hour operations is a swing back to signature products dropped after the Naugles merger. Now that most Naugles have been converted to Del Tacos, the Big Del and Deluxe Del Beef Burritos are returning. Already back on the menu are taco salads, nachos and downsized quesadillas.

Following management's leveraged buyout from Restaurant Enterprises in January, Costa Mesa, Calif.-based Del Taco reduced portion sizes and prices on the regular soft taco and part of its burrito line. Price cuts ranged from 20 to 90 cents.

GARCIA'S MEXICAN RESTAURANTS
$79.4MM
New samplers include El Grande, a combination of several regular menu favorites including *pollo fundido*, cheese enchilada, beef taquito and refried beans. Five pork items have been added, including Tex-Mex enchiladas (carnitas topped with green pork chili), pork chili and spicy carnitas tacos. Also new: *arroz con pollo*, a chicken breast in a cheesy ranchero sauce; two new desserts; and a summer drink menu featuring tropical beverages.

Taco Bueno's Chicken and Bueno Chiladas are hot sellers.





Del Taco lowered prices on its deluxe and combo burritos.

TACO VILLA INC.
$75MM
Last year, Taco Villa—now owned by W.R. Grace and renamed Del Taco—added Chiliole, a beanless meat and green chili-filled pepper topped with Cheddar and served with homemade chips. New offerings will include a Chicken Fajita Burrito Grande, a seasoned breast rolled into a flour tortilla with Cheddar, onions, sour cream, lettuce and tomato.

RED ONION RESTAURANTS
$50.0MM**
Red Onion switched to canola oil and added American Heart Association-approved entrees such as seafood salads. A new Make-Your-Own charbroiled chicken taco comes with black bean soup. Spinach con queso, with jalapeño, Monterey Jack cheese, fresh tomato and onion debuted last March along with spicy chicken wings.

TACO BUENO
$56.7MM*
Company strategy: more food for the dollar on customer plates. Portion sizes were increased on regular menu items. The Mucho line, featuring larger portions, has made a significant impact on sales. A lower-priced Party Menu, featuring 39- and 49-cent snack items, has raised check averages and increased off-hours business for the Dallas-based chain.

TWO PESOS MEXICAN CAFES
$40.4MM
Chargrilled shrimp fajitas are the Houston chain's latest addition. A 1-pound fajita platter, priced at $10.95, feeds two to three people. A 1½-pound "Fiesta Pack" for four is $16.95. Two Pesos is testing a spicier Buffalo wing.

Chaquita Cafe, a downsized, double-drive-thru concept recently opened in Houston, features a scaled-down version of Two Pesos' original menu.

CARLOS MURPHY'S
$37.0MM
The San Diego-based chain just completed a total menu revamp, upgrading quality and cutting the number of dishes from 130 to 55.

Among 19 newcomers: an upscale fish taco made with wahoo, and shrimp, chicken and beef fajitas. Carnitas, chilies rellenos and shark fajitas are due later this year.

—Barbara Magan Dawson

*R&I estimate; **company estimate

400: SANDWICHES

ARBY'S AND SUBWAY LEAD IN BUILDING SANDWICH AWARENESS

More units and menu variety make sandwich chains top contenders.

Sandwich chains continue to infringe on hamburger territory, armed with a growing presence, service enhancements and products tailored to customer requests.

According to a Technomic Inc. study, sandwich chains in the top 100 domestic restaurant companies increased their franchised units by 27.1%—1,093 units—between 1988 and 1989. Subway franchises are responsible for the majority of this growth. The next fastest growing quick-service segment was hamburgers, with 5.3% franchised unit growth.

Subway seems to be popping up on every corner; about 1,600 new franchise agreements have been signed for 1990. The news for competitors is both good and bad: Subway's growing presence is making consumers more aware of the sandwich segment, but at the same time, regional chains must contend with the highly visible Subway moving in two doors down.

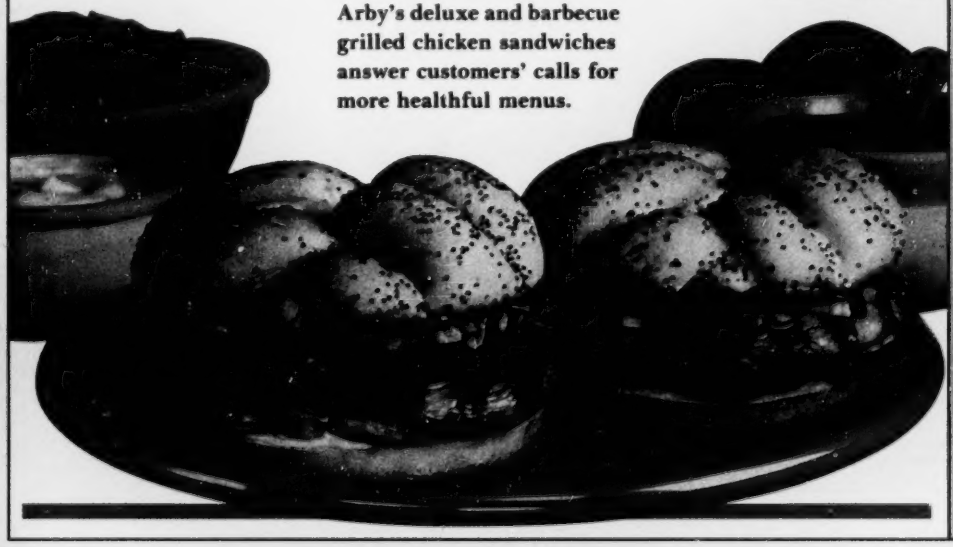
While Subway leads the way in unit growth, Arby's is the leader in service innovations. For instance, the chain has implemented a computerized customer order-entry system and credit-card acceptance; its "smart kitchen," presently being developed, uses sales analysis and projected demand to control the cooking process.

Sandwich chains in general provide plenty of variety, and sandwiches are easy to tailor to customer taste. Chains are finding that customers love grilled-chicken sandwiches, spiral french fries, salads to go and big drinks they can dispense and refill themselves. Fond feelings for the corner deli must be behind the resurgence of classic deli-style, cold-cut sandwiches, which are selling well at several chains despite the nutrition trend. Customers also want more all-beef hot dogs, and hot dog chains are responding.

Subway explosion: 1,600 franchise agreements have been signed.

ARBY'S
$1,300.0MM
In 1989 all units converted to 100% cholesterol-free corn oil for fried products. In January 1990 the amount of mayonnaise used on sandwiches was halved, eliminating 100 calories per sandwich. A cholesterol-free, light mayonnaise is in test,

continued on page 128



Arby's deluxe and barbecue grilled chicken sandwiches answer customers' calls for more healthful menus.

SANDWICHES ('88-'89)
Avg. sales growth 4.8%
Avg. unit growth 8.1%

TOP TRENDS

- Chicken, turkey, traditional cold cuts such as pastrami, salami and corned beef, all-beef hot dogs
- Packaged salads
- Side items such as spiral french fries and desserts ranging from cookies to muffins to pies
- [illegible]aking bread on the pr[illegible]nises (Subway, Blimpie)
- [illegible]ombo meals and family p[illegible]k specials
- Roasting and grilling
- Low- or cholesterol-free oils
- Credit card acceptance
- Limited home delivery, more drive-thru access, self-service beverage stands

BEST PROMOTIONS

- Holiday novelties, such as Arby's Holly Days glasses
- Discount couponing
- Children's premiums
- Combination meals and family packs
- Contests such as Rax's Hawaiian Pro Bowl Getaway game to introduce the new Grilled Chicken sandwich and Subway's *Lethal Weapon II* movie role contest

A complete ranking of the 400 by segment begins on page 28.

400: SANDWICHES

continued from page 127

Hot dog chain customers are willing to pay more for all-beef selections.

as are salad dressings and soups low in fat and sodium.

New products in test or offered on a promotional basis include two grilled-chicken selections, corned beef sandwiches, an Albuquerque Turkey sandwich (featuring roast turkey, lettuce, onion, tomato, special sauce and Swiss cheese on a poppy seed bun), French Dip (roast beef sandwich au jus), and Double Decker versions of the Deluxe, Beef 'n Swiss and Bacon 'n Cheddar roast beef sandwiches.

On the service side, innovations to come include an automatic conveyor system that dispenses food at drive-thrus, and the "smart kitchen" concept described previously. Finally, Arby's will test fax ordering, which will allow orders to be prepared before the customer's arrival.

SUBWAY
$800.0MM
Milford, Conn.-based Subway develops new menu selections two ways: corporately, through the R&D branch devoted to new products; and locally—each store is allowed to sell two regional specialties of its own devising. The current unit-wide best seller, the BMT (which stands for "bigger, meatier, tastier"), was developed at headquarters. It is made up of ham, Genoa salami, pepperoni and bologna.

The Subway Club, originally the Volcano, is a best seller in approximately half of Subway's markets. A unit near Mount St. Helens in Washington developed the cold sandwich, which features roast beef, turkey and ham, plus all the fixings.

New menu additions are not yet set, but customers are asking for more hot sandwiches and spicier combinations, and it's a good bet Subway will answer that demand.

ROY ROGERS
$400.0MM*
The menus in the three units that were converted to Hardee's in May feature a blend of the best Roy Rogers and Hardee's have to offer. Roy Rogers' premier bone-in fried chicken line and roast beef sandwiches complement Hardee's hamburger and breakfast selections. So far, breakfast sales in the converted units are up 50%, while overall sales are up 20%.

"Our customers want the best of both concepts," says Jerry Singer, director of public relations for the Rocky Mount, N.C.-based chain. "The Roy Rogers acquisition is turning out to be a perfect marriage of menu in the units we've converted."

The jury is still out as to whether Roy Rogers' roast beef line will be offered in markets other than the Northeast, however, because the premium roast beef products can cost up to a dollar more than the Hardee's sandwich products. The chicken line will be offered systemwide. About 100 Roy Rogers units will be converted to Hardee's by August.

A&W's new children's book and cassette premium is building chain awareness in traditionally slow markets.

RA RESTAURANTS
$3 .6MM
Sa s of new menu items plus re uced distribution and labor costs (the latter will be cut by $2 million in the next 12 months) are proving to be the answer to the Columbus, Ohio-based chain's financial woes. The 1990 second-quarter loss of $1.8 million is a 63% improvement over the $4.9 million loss suffered the same time last year.

The 500-unit roast beef chain is launching its new "Nothing Stax Up To Rax" advertising campaign, which emphasizes value and variety. To push the value aspect, the chain has reduced check averages from $3 to $2.88 with such menu items as smaller roast beef sandwiches; three packaged Express Salads (garden, chef and taco); a marinated, grilled chicken breast sandwich on a multigrain bun; Mexican Melt and Mush-

Wienerschnitzel launched its International Sausage line with this Italian selection.

continued on page 130

*R&I estimate

400: SANDWICHES

Schlotzsky's goes for dinner customers with a new, low-price pizza.

Schlotzsky's crust is made from its signature bread dough.

continued from page 128

room Melt hot beef sandwiches; and Twisty Fries.

A new building prototype in Festus, Mo., costs less to build than the chain's traditional units and is designed to speed service. It features four service lines instead of one, an assembly-line prep area and a straight salad bar to replace the U-shaped version. A self-serve beverage station also is standard.

A&W RESTAURANTS
$199.2MM

This Livonia, Mich., hot dog chain knows the value of attracting children to the restaurant. That's what prompted the March 1990 introduction of a new children's premium: a customized read-along storybook and matching cassette tape entitled *A Day at the Zoo*. It stars A&W's mascot, The Great Root Bear.

The premium, which sells for $1.29 with any purchase, is designed to encourage parents and children to read together. The book is the first in the chain's Playtown Adventure series, and early surveys show that the promotion has increased awareness of the chain in markets where hot dog concepts are not a strong restaurant choice.

A&W's Playtown Meals tie in with the book themes. These come in boxes that carry the same designs as the books, with punch-out characters and a prize. The meals offer a choice of hamburger or hot dog, Curly Fries and a small beverage for about $1.99.

BLIMPIE
$120.0MM

The Blimpie LITES line, a selection of salads and pita sandwiches under 300 calories, is going strong in the Atlanta and Houston test markets, so the New York-based sandwich chain will introduce the concept in 80% of its markets within the next few months. Shelf-life problems with chicken and tuna selections prompted their removal from the LITES lineup, but roast beef and ham have been added.

Escalating rents and other costs in shopping malls prompted development of Blimpie's latest venture, the Fresherie, an upscale version of the regular Blimpie unit that serves gourmet pastas and salads such as tuna niçoise, broccoli and ham, curried wild rice, antipasto and pasta primavera in a cafeteria-style service. Four Fresheries currently are operating; expansion plans will be discussed this summer.

WIENERSCHNITZEL
$111.0MM

Wienerschnitzel's international expansion is taking place on the menu rather than on the map, with the introduction of its International Sausage Sandwich line late last year.

So far, Polish and Italian sausage versions have debuted. The Polish, served on rye bread, features a split Polish sausage with mustard, Swiss cheese and a pickle slice with sauerkraut (optional). The Italian features Italian sausage with marinara sauce and Italian cheeses served on a crusty bread. The latter accounted for 4% to 5% of sales during the initial rollout.

In response to customer demand, the Newport Beach, Calif.-based chain will introduce a jumbo, all-beef hot dog in August.

CAROUSEL SNACK BARS OF MINNESOTA
$56.5MM

The licensing agreement to promote and sell A&W Root Beer continues to be one of the sweetest deals Minneapolis-based Carousel ever made. Root beer products have increased overall sales by 15% in the 220 units carrying them.

This year, the chain is taking advantage of Chicago's reputation for great hot dogs with its Chicago Classic, introduced in March '90. The all-beef hot dog, featuring bright green relish, purple onion, mustard, a pickle spear, sport peppers (hot and sweet flavor), tomato, cucumber and celery salt, sells for $1.99. Two more hot dog selections will be introduced next year, but details are under wraps.

SCHLOTZSKY'S INC.
$55.0MM

What's a sandwich chain doing selling pizza? Attracting children, teens and other dinner-time customers, says John Wooley, president of the Austin, Texas-based hain. Four varieties are in est in 25 stores. Served only after 4 p.m., Schlotzsky's pie is attracting 9% to 10% of traffic.

The pizza crust is made from the chain's signature bread dough and is offered in 12-inch cheese, pepperoni, sausage and "the works" versions. Two pricing strategies are in test: $3.89 for any style; or $3.89 for cheese, $4.89 for pepperoni or sausage, and $5.89 for the works.

—Beth Lorenzini

Carousel introduced a Chicago-style hot dog.

400: SEAFOOD

POPULAR FARM-RAISED SPECIES HELP REVIVE SEAFOOD MARKET

Chains promote fish and seafood as the light and healthy alternative.

Seafood consumption made a big comeback last year, reaching a record 15.9 pounds per capita—a 4.6% increase over 1988. The seafood chains in this year's 400, such as Rusty Pelican, are recapturing customers by promoting new and exotic species such as Opaka-paka and skate.

Demand at restaurants rebounded after fear of eating fish from polluted waters was offset by strong industry marketing efforts that promoted fish as healthy and low in fat and cholesterol. Average unit sales for segment leader Red Lobster, for example, increased 4.9%.

Other segment leaders are drawing customers by introducing more baked and broiled products, while some are discounting and offering fixed meal prices. Long John Silver's is continuing its rollout of baked and broiled entrees, and is introducing discount programs during slow weekdays.

According to a major seafood purveyor, farm-raised tilapia is the new darling among full-service operations in the segment. It is already a permanent menu item at ARA Services' 95th Restaurant in Chicago.

RED LOBSTER
$1,360.0MM**

The "30 Shrimp" plate, priced at $8.95, was the most successful promotion in Red Lobster's 22-year history. Guest preference averaged 18% weekly following its introduction in January, according to chain President Jeff O'Hara.

Since 65% of entree items are now broiled, the chain is developing proprietary ovens and systems that significantly improve broiled food quality.

In addition, Red Lobster has joined the U.S. Department of Commerce in a program whereby all seafood is inspected by the USDC as well as Red Lobster's own quality assurance staff.

The Orlando, Fla.-based chain, which experienced an average store sales increase of 4.9%, also intends to begin rolling out a remodel package this fall. It will include a new interior-decor

continued on page 36

Captain D's breaded combination platter

SEAFOOD ('88-'89)

Avg. sales growth	5.8%
Avg. unit growth	3.2%

TOP TRENDS

- Chains take advantage of farm-raised products, including tilapia, catfish and trout.
- Despite growth of broiled and grilled menu items, fried products remain menu staples.

COMING UP

- Farm-raised sturgeon and striped bass more readily available
- Long John Silver's discount program and final rollout of baked and broiled products
- Phillips building crabmeat processing plant in Philippines
- L&N Seafood Grill's fresh fish entrees in 3-ounce and 5-ounce portions

CHAINS TO WATCH

- Skippers, now owned by National Pizza, is looking like a winner with value-added strategy.
- Rusty Pelican's revamped menu concentrates on variety and price/value.
- Red Lobster will accelerate unit openings to 38 this year, most in 15 years.

A complete ranking of the 400 by segment begins on page 28.

**company estimate

400: SEAFOOD

continued from page 135

Lighter meals at lower prices are helping to boost traffic counts.

package and new front-of-the-house uniforms.

LONG JOHN SILVER'S SEAFOOD SHOPPES
$783.1MM**
Since September, operating and administrative costs have been reduced substantially in accordance with management's strategy to position Long John Silver's as the low-cost provider of quick-service seafood with check averages under $4.

Discount programs are being introduced chainwide to improve customer traffic Monday through Wednesday, the Lexington, Ky.-based chain's slower business days.

The introduction of baked and broiled seafood in all company restaurants should be complete by the end of 1990. Finger foods that can be easily consumed in automobiles are being tested as well. New menu boards, improved plating and advanced takeout packaging to improve portability and heat retention are being introduced throughout the summer months.

A test is under way for a two-minute guarantee express lunch program.

CAPTAIN D'S RESTAURANTS
$392.0MM
In 1989, Captain D's added shrimp scampi and baked fish to the menu to broaden its appeal.

The Nashville, Tenn.-based chain also has gone to a more contemporary building appearance, which is brighter and more visible from the road.

Average sales per company-owned store increased in 1989 to $660,000 from $630,000 in 1988. Same-store sales increased 5.4% in 1989.

SKIPPER'S
$100.7MM
On a $4,000-per-unit investment, introduction of a baked fish product has proved very successful. In early, limited tests, stores were selling out of the product within the first hour of opening.

The Bellevue, Wash.-based chain, now owned by National Pizza, will be introducing snack items such as fried zucchini, onion rings and cheese sticks.

A new marketing strategy targets customer counts rather than a previous focus of raising check averages. Advertisements feature price points below $4 and a "value added" strategy to introduce items such as family dinner packs.

RUSTY PELICAN
$100.0MM
Known primarily as a seafood dinner house, Rusty Pelican, San Juan Capistrano, Calif., is testing in two San Diego-area operations a new menu that encourages "adventurous grazing in a dining experience," according to Corporate Chef Jack Monaco.

Printed on a laser printer and changed regularly based on availability, the center of the test menu features fresh aquaculture and exotic seafood items in large or small portions.

Panko-style (light and crispy breading) deep-fried items have been added for the first time. Panko-fried shrimp, scallops and combination platters are being tested.

To encourage sampling, prices have been slightly reduced. Variety and price/value are expected to build check averages.

A new bar menu with inexpensive lighter meals for lunch or late night also has met with initial success.

L&N SEAFOOD GRILL
$52.8MM**
The 24-unit upscale L&N Seafood Grill chain, based in Mobile, Ala., is changing its menu in an attempt to lower dinner check averages and attract a broader market. In the first month, all-day check averages dropped 45 cents to $12.47.

Most important, says Sr. Vice President Richard McGeoch, fresh fish entrees are being offered in two sizes. At both lunch and dinner, 3-ounce and 5-ounce portions are available.

The new menu also contains four large dinner salads (blackened chicken, Oriental shrimp, shrimp with g[illegible]ed salmon, bay shrimp). [illegible]t lunch, Clam Chowder [illegible]h a house salad and the t[illegible]a melt are part of L&N's l[illegible]s expensive express meal p[illegible]ogram.

Phillips Seafood Restaurants now imports crab meat from the Philippines.

PHILLIPS SEAFOOD RESTAURANTS
$37.0MM
This six-unit Baltimore-based volume feeder did not change its menu and, more importantly, did not change its prices last year.

A seafood processing plant is being built in the Philippines because crab meat is getting harder to get in the United States, according to Vice President Paul Wall. He says the company's Maryland plants cannot keep up with demand. The first imports of the species similar to Maryland Blue Crab was due July 1.

Phillips also is marketing its products, from vegetable crab soup to frozen tuna and a variety of seasoning packages, in grocery stores.

—Jeff Weinstein

Skipper's Lite Catch fish, chicken entrees

**company estimate

HIGH-MIX TAKEOUT COUNTERS MOVE IN ON WHITE TABLECLOTHS

Food courts and self-serve units cut labor costs, fit into compact space.

In the retail arena, leisurely sit-down restaurants are giving way to smaller food-court and takeout concepts. Dayton Hudson Department Stores helped pioneer these successful "marketplaces" offering a variety of takeout options and now is experimenting with smaller self-serve, 40-seat units.

Large restaurants are not altogether a thing of the past, however. New 400 member Nordstrom, with its Rolls Royce brand of customer service, is introducing its ultra-upscale Garden Court dining concept. Similarly, Dayton Hudson is readying a 165-seat restaurant in Edina, Minn.

Variety and discount department-store chains, notably McCrory's, K mart and Target, are switching to multiconcept food courts that spotlight pasta, chicken, Mexican, pizza and frozen yogurt.

7-Eleven, in what could well become the wave of the future, is looking actively for joint-venture prospects to run pizza concessions or, better yet, take over the entire foodservice operation.

7-ELEVEN
$726.5MM**

Despite parent company Southland Corp.'s financial woes, 7-Eleven foodservice revenues increased slightly over last year.

The chain tested pizza by the slice in a cooperative enterprise with Pizza Hut. Although there were some disagreements over operating philosophies, the experiment was deemed somewhat successful. Southland management thinks the program is viable and is investigating joint-venture possibilities whereby a lessee would take over not just the pizza business, but the entire foodservice operation.

The chain also explored a potential tie-in with the American Heart Association on turkey sandwiches and salads. But requirements by the Food and Drug Administration and other agencies relating to an endorsement proved too complex and time consuming. The idea was dropped.

Currently, 7-Eleven is focusing on its hot dog program and keeping a watchful eye on deli sales, which are very healthy. A few stores are testing new packaging for sandwiches to perk up value perception and to give them a fresher, more appealing look.

Hot dogs and a grilled "Breakfast Bite," sausage on a special slit-top bread, are the top sellers.

7-Eleven sells more than 80 million hot dogs annually. The grilled "Breakfast Bite" is another top seller.

K mart's new Eatery Express features grilled and grazing-type foods.

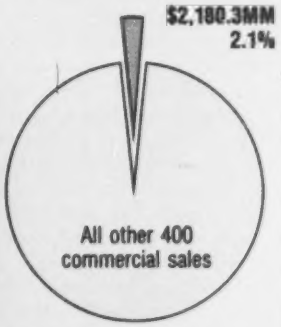
K MART CORP.
$328.0MM

K mart has launched Eatery Express, a new 50- to 60-seat concept located at the front of the store. The Express format takes the best from the company's old cafeteria

continued on page 140

RETAIL ('88-'89)

Avg. sales growth	−1.9%
Avg. unit growth	0.3%



TOP TRENDS

- Retail foodservice in transition: some stores taking a first-time plunge, others adding and updating existing concepts
- Big sit-down restaurants giving way to "marketplace" takeout concepts
- Operations located in the front of the store, "where the money is," for higher visibility and traffic
- Multiconcept food courts
- Joint ventures between c-stores and foodservice companies to handle foodservice concessions

BEST SELLERS

- Baked, grilled or broiled chicken and fish
- Frozen yogurt stands and mobile food carts
- 25-cent cup of coffee (with refills)

BEST PROMOS

- Movie promotions such as K mart's *Teenage Mutant Ninja Turtles* promo (two million 32-ounce bottles sold in 30 days)

A complete ranking of the 400 by segment begins on page 28.

400: RETAIL

continued from page 139

7-Eleven tested an arrangement with Pizza Hut to contract out foodservice.

and deli units and combines them into one smaller, more compact dining area. These grill operations will feature grazing-type foods, gourmet cookies, popcorn, ice cream, pretzels and nachos, plus a full sandwich line and packaged salads. All units have an all-you-can-drink, self-serve beverage bar.

During the next two years, K mart's 500 stores sans foodservice will be upgraded and refurbished with Eatery Express units.

New products include Nacho Supreme, nacho chips with chili, cheese, onions and tomatoes. Best sellers for the Troy, Mich.-based discount retail giant are still breaded chicken breast, club sandwiches, nachos and pretzels.

F.W. WOOLWORTH CO.
$146.9MM**
Woolworth has been working on add-on sales with aggressive promotions for desserts. Three tropical coolers were the only new introductions last year. Early this summer, Woolworth served a new 20-ounce shake in an old-fashioned metal shake container.

The New York-based company is testing fax ordering in Minneapolis and Cleveland.

Big sellers are the old familiars: liver and onions, meatloaf, turkey dinner and, of course, hot dogs.

TARGET STORES INC.
$60.0MM*
Target, based in Minneapolis, plans to upscale its food operations and relocate them at the front of the store. Management has set its sights on a food court boasting five concepts: an upscale gourmet snack area with a limited bakery, a sandwich shop, pizza by the slice, Mexican section and frozen yogurt. The prototype in Apple Valley, Calif., has 110 seats, self-service beverages and condiment bars.

A wider menu selection will spotlight grilled chicken and fish sandwiches, fresh salads, fajitas, soft tacos and larger sandwiches. In addition, the units will offer a children's menu as well as takeout operations.

Food courts might replace small sit-down units at McCrory's. Test items included fresh-dough pizza.

McCRORY STORES
$59.8MM**
McCrory also is eyeing food courts with a myriad of concepts for its variety stores. The York, Pa.-based company tested a few prototypes with and without a grill in high-traffic mall areas. Test items included fresh-dough pizza, hot dogs with a toppings bar, prepared salads and frozen yogurt. Once in place, the courts will feature pasta, chicken, pizza, Mexican fare and ice cream.

The company already has closed several low-volume operations, some of which will be converted into food courts.

McCrory is now a Sbarro's franchisee and will combine that operation with its Fulton Street Grill, which serves chicken, burgers, fries, soups and salads. The company also has 22 mobile food carts, which will be rolled out during the warmer months and Christmas holidays.

New menu items include baked and grilled chicken and fish.

CONVENIENT FOOD MARTS
$47.3MM*
Menus for Convenient Food Marts, Rosemont, Ill., include fresh deli sandwiches, hot dogs and fountain drinks. Items vary from store to store; food choices tend to be regional and up to individual franchisees. Some of the units offer such items as pizza, hamburgers, and fried or broiled chicken.

DAYTON HUDSON DEPARTMENT STORE CO.
$45.0MM*
Dayton Hudson is readying a 165-seat restaurant in Southdale Mall, Edina, Minn., and testing a sit-down and carryout strategy in Rochester, Minn. The Minneapolis-based retail giant will continue, however, to convert existing space into its Marketplace food carryouts, a concept that has been growing 25% a year for the past four years.

Among Marketplace offerings are Yogurt Express (frozen yogurt concept accounting for 20% of business), Candy Kitchen and Marketplace Lites (prepared foods such as salads, stir-fries and pasta dishes low in calories, cholesterol and fat). Its 70-seat sit-down restaurant is used to test both items for both sit-down and carryout outlets.

The company is also testing a new combination sit-down/carryout strategy, a modified version of its famous multiconcept Sky Room. The offspring features a chicken and deli operation. Calorie and nutritional information will be included on the menu.

Chicago's Marshall Field's, acquired by Dayton Hudson this spring, will bring along both white-tablecloth and more casual concepts for its new parent.

NORDSTROM INC.
$39.0MM
Nordstrom has created the Garden Court, a super-upscale concept targeted to women shoppers. The 114-seat restaurant, debuting in the new Paramus, N.J. store in September, will be heavy on fresh salads, vegetables, and grilled chicken and fish items. Garden Courts also are slated for future stores in Chicago and Menlo Park, N.J.

San Francisco's caviar and champagne bar will not be expanded to other stores.

Despite its upscale image, Seattle-based Nordstrom's best seller is the 25-cent bottomless coffee cup. The Canadian Club and the soup, sandwich and salad combo are customer favorites.

—B.M.D.

400: CAFETERIAS

CAFETERIAS FINE-TUNE SERVICE STYLES, TAKEOUT IDEAS

Chains downsize units and update service in search of the winning edge.

The last 12 months have been a year of consolidation in the cafeteria segment, as many of the big chains have spent their time fine-tuning innovations introduced in earlier years. And since cafeteria menus have always been broad and inclusive, new menu developments took second place to innovations in location, operations and design.

MORRISON FAMILY DINING DIV.
$368.0MM**
Morrison plans to build customer service, not units, in 1989, says Richard McGeoch, senior vice president. The Mobile, Ala.-based company plans to open a few units this year, however, including one near Opryland in Nashville, Tenn. Expansion plans for Sadie's Buffet, Morrison's serve-yourself concept, are on hold, says McGeoch.

PICCADILLY CAFETERIAS INC.
$320.0MM**
Following this year's big trend in foodservice, Piccadilly, Baton Rouge, La., began a campaign to draw customers interested in nutritious eating with its "Build Yourself a Healthy Meal" program. Marketing Coordinator Henry Fourrier says the program follows American Dietetic Association guidelines by encouraging people to eat from the four basic food groups. The cafeteria now offers low-calorie salad dressing, sugar-free apple pie and gelatin with artificial sweeteners.

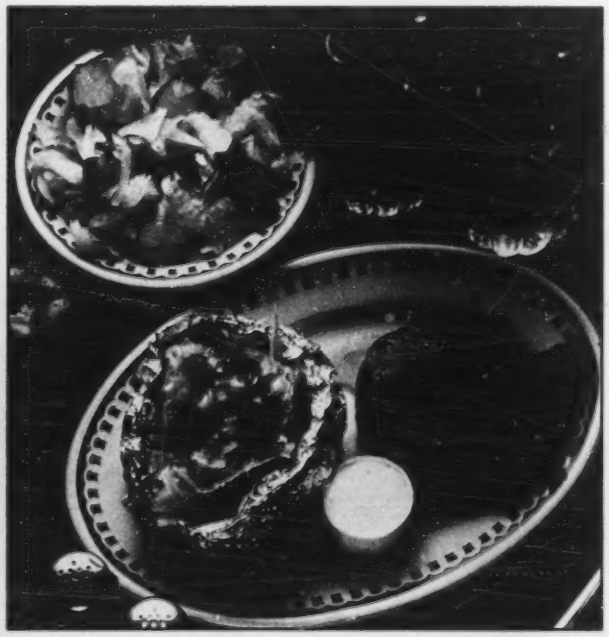
WYATT CAFETERIAS INC.
$192.0MM
Since the chain's employees bought Wyatt in a leveraged buyout in September 1988, they have been quietly rebuilding the company. "We were in limbo; now we are getting back into business," says President George DeShazo.

DeShazo says that the company is now experimenting with two ideas aimed at attracting more customers. The first is a limited-menu concept called a "Wyatt Express," designed to be located in mall food courts.

Second, Wyatt is expanding into new and smaller markets. Units will be built in towns with populations of 10,000 to 15,000.

Concerns for healthful food led Wyatt to work with the American Cancer Society.

OLD COUNTRY BUFFETS
$115.4MM
The big news here is not so much the food as the service. One of the chain's biggest franchisees, which operates units in the Northwest, has replaced the standard two-sided buffet line with eight separate food islands. The new format has already demonstrated the potential to increase customer flow from 260 people an hour to 340; two new stores testing the format have shown almost 33% higher volumes than stores in the old service style. *—Stephanie Wood*



Healthful side dishes made cafeteria menu news.

CAFETERIAS ('88-'89)
Avg. sales growth 14.8%
Avg. unit growth 6.9%

TOP TRENDS

- Emphasis on traffic-building, as chains seek to avoid cannibalizing markets. Example: Old Country Buffets will build capacity by rolling out "scatter-bar" service concept in new units and selected retrofits.
- Remodeling units for drive-thru and the rise of catering as responses to demand for off-premise consumption
- Menus and signage promoting healthful foods and medically approved recipes—especially where these do not involve major recipe reformulations

BEST SELLERS

- Morrison's: grilled chicken, broiled fish, roast beef
- Luby's: fish of all varieties
- King's Table: ham or roast beef entree
- K&W Cafeterias: chopped steak
- MCL Cafeterias: fried chicken

A complete ranking of the 400 by segment begins on page 28.

**company estimate

400: HOTELS

F&B OPERATIONS EMPHASIZE BIGGER AND FASTER SERVICES

Hoteliers look to banquet business for profitability and sous vide for speed.

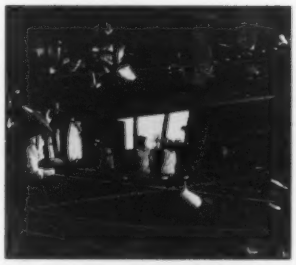
Bigger is better. Because banquets are the most profitable area in hotel F&B, many chains have initiated ambitious marketing efforts and revamped their menu for high-volume feeding.

Presentation gets more attention today than ever before. "With banquet business, we are almost in the entertainment business," says Peter Kleiser, senior vice president of Hilton Hotels Corp., Beverly Hills, Calif. "A good meal is not enough; we have to keep things interesting. Even though nouvelle cuisine is out, it left a legacy of proper presentation."

Presentation might become more important than cooking in some hotel kitchens as more vendors offer sous vide products. With the cooking process reduced to reheating frozen product, the kitchen staff need only plate and serve.

A frozen inventory lets room-service menus offer full meals at any hour. With simple reheating equipment, lounges and bars can offer much more than typical bar snacks. Bulk inventory also reduces labor needs and speeds up service in banquet kitchens. Both Sheraton and Omni are currently looking into adding sous vide foods.

THE SHERATON CORP.
$1,557.7MM
Because the competition from free-standing restaurants is so strong, Boston-based Sheraton is concentrating on its strongest F&B services: banquets, catering and Sunday brunches. Particularly with banquet and meeting business, sales personnel are encouraged to work closely with their chefs, using food as an important sales tool. Beef is less popular; fish, chicken and veal sales are on the rise. Sauces on meat dishes are also less popular.



Banquets offer a Mexican feel in a theme area in the Acapulco Princess Hotel.

A trend towards putting facilities to multiple uses is reflected in the Torreyanna Grille in the Sheraton Grande Torrey Pines, La Jolla, Calif. The luxury hotel's single restaurant both serves breakfast and contains the property's only bar. Except for huge properties, newly built Sheraton hotels will contain only one restaurant/lounge.

HILTON HOTELS CORP.
$1,094.0MM
Because a good meal is more important than ever to banquet and convention customers, Beverly Hills, Calif.-based Hilton offers many different menu items. According to Peter Kleiser, senior vice president, beef dishes are not selling as well

The Honolulu Hilton puts color into banquets.

continued on page 154

HOTELS ('88-'89)

Avg. sales growth	6.2%
Avg. unit growth	4.8%

TOP TRENDS

- Increased emphasis on banquet business, the most profitable area of F&B
- Sous vide testing in room service, restaurant, banquet and bar applications
- Continued contracting out of F&B operations to established restaurateurs
- Upscaling techniques and wine and liquor promotions to maintain beverage sales
- Free-standing restaurants, with no physical ties to the hotel
- Multiple-use facilities and other downscaling techniques

BEST SELLERS

- Steak
- Fish
- Lighter fare
- East meets West cuisine

COMING UP

- More combinations of different cuisines on one menu
- Takeout packaging affected by environmental concerns

A complete ranking of the 400 by segment begins on page 28.

400: HOTELS

continued from page 153

Banquet trend: Meeting planners are selecting more fish, chicken and veal.

as they used to; instead, meeting planners request fish, fowl and veal.

Coffee breaks for business functions have been upgraded with such innovations as non-alcoholic drink bars, ice cream stands, fruit trees and yogurt bars.

Hilton's hotel coffee shops are running a number of chainwide promotions in 1990. "Taste of La Dolce Vita" offers a variety of Italian selections, including a tie-in with an Italian winery. "Taste of Paradise" will feature foods from Hawaii and other Pacific areas as well as Caribbean favorites. Tropical drinks will promote liquor sales.

HYATT HOTEL CORP.
$863.9MM*
Hyatt has opened its first free-standing restaurant in La Jolla, Calif. Japenga, located near the Hyatt Regency, is operated independently and does not provide room service and banquet services to the hotel. The menu combines Asian and California cuisines in such menu items as wood-roasted sea bass with tomato-kimchi salsa and pan-seared catfish with red pepper aioli.

The blending of cuisines also is evident at the Hyatt Regency Lake Tahoe—its Ciao Mein Trattoria offers both Asian and Italian cuisines. Appetizers include Szechwan noodles and fried calamari; entrees range from shrimp lo mein to fettuccine carbonara. Asian food accounts for 60% of sales.

On a nationwide basis, the Chicago-based company launched a two-month spring "Wok and Roll" promotion, featuring food and beverages from Japan, Korea, China and Thailand. Entrees included crispy duck with rice pancakes and plum sauce, wok-seared garlic chicken with shiitake mushrooms, and fish with ginger, leeks, sprouts and seaweed.

RADISSON HOTEL CORP.
$325.0MM
Radisson has developed a branded concept, the Brasserie, for its new moderately priced Pierre Radisson hotel chain. The menu, primarily classic American, has a few French items added to tie in with the name of the hotel. Marketing efforts will target the surrounding community for substantial lunch and weekend business.

The Minneapolis-based company also is considering building T.G.I. Friday's restaurants inside selected Radisson hotels; both companies are part of Minnesota-based Carlson Companies.

An aggressive push for banquet business began recently with a new print marketing campaign.

At Torreyanna Grille, breakfast and bar are combined.

Hyatt's first free-standing restaurant is in La Jolla, Calif.

OMNI HOTELS CORP.
$159.6MM
The Hampton, N.H.-based hotel company is testing sous vide products from several vendors. A test program measuring customer acceptance in one of the company's hotels will begin soon. Two previous tests brought high marks from both customers and the company's executive chefs.

In '89 the company introduced its "Simply Healthy" line of menu items, which includes pasta, salads, chicken and fish.

In keeping with an increase in takeout business, the Omni Richmond hotel, Richmond, Va., has opened the White Water Market, adjacent to the hotel's White Water Cafe; the market offers guests freshly baked breads, rolls, pastries and desserts, as well as salads.

Expanding F&B beyond a hotel's walls, the Omni Hotel Charleston Place, Charleston, S.C., has begun a p[illegible]aged off-site catering p[illegible]ram for functions held i[illegible]cal historic locations.

PR[illegible]NCESS HOTELS INTL.
$8[illegible].9MM*
The New York-based resort hotel company uses elaborate theme areas to attract banquet and other group business. The Southampton Princess in Bermuda, for instance, moves portable backdrops into ballrooms and meeting rooms, and recreates the atmosphere of such places as Front Street in downtown Hamilton, Bermuda's capital.

During a summer food festival held at Harley's, one of the restaurants in the Bermuda hotel, chefs from the Scottsdale, Ariz., Princess showed how to make such Southwest specialties as Indian Corn Chowder with Chorizo Dumplings. Visiting chefs from the Acapulco brought Chicken Mole Poblano and other Mexican fare to the hotel during a later festival. ***—Rob Townsend***

*R&I estimate

400: CONTRACTORS

CONTRACT COMPANIES JOIN WITH CHAINS OR CREATE OWN BRANDS

Whether it's takeout, pizza or cookies, everyone is selling branded products.

The two challenges that contractors have been grappling with recently—smaller subsidies and greater competition from commercial operations—have not gone away.

In fact, they have intensified during the last year.

Contractors have responded by intensifying their efforts to attract more clients and customers and to increase average checks.

What this has meant for customers is more varied options—in the types of foods offered and the types of facilities in which they choose to eat.

Contractors have been investing in facilities in return for long-term commitments from clients. In many instances, the stainless-steel look is gone forever, replaced by colorful food courts.

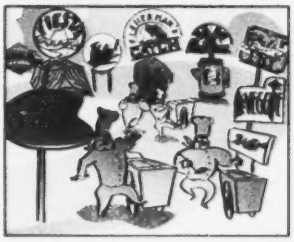
More contractors are arranging to deliver food to offices of customers who want that service. If customers want to phone in orders so they won't have to wait in line, contractors will make that happen, too.

In addition, they are emphasizing nutrition in marketing materials, menu selections and preparation, and cooking techniques.

Where necessary, contractors also have helped companies downsize to cut costs while still providing quality service, either through more extensive vending programs or more mobile carts.

Many in this segment have jumped on the "branding" bandwagon, whether by creating in-house brands—such ARA's Itza Pizza program—or through agreements struck with national and regional chains such as Morrison's relationship with McDonald's.

Morrison's expects to increase sales in its units by 10% with its extensive and well-promoted Fast Takes program.



Canteen's Signature Products is the company's growing line of branded items.

To hype their "commercialization," contractors have put together slick marketing programs ranging from name and logo changes to the rollout of a new million-dollar takeout program.

MARRIOTT FOOD & SERVICES MANAGEMENT
$3,965.0MM†

In 1989 Marriott signed an agreement with Pizza Hut; now more than 100 Pizza Hut Kiosks are in Marriott's business and industry, health-care and college-dining accounts.

The Washington, D.C.-based company also expanded its services to include employer-assisted child care. (Marriott also entered a joint venture with Corporate Child Care last year.) It offers to help clients provide other conveniences to employees through managing convenience stores and dry-cleaning operations, too.

Marriott continues to add new modules to its corporate "Wellness & You!" health-awareness program.

Particularly interesting was the company's decision *not* to fold Corporate Foodservice, a small, privately owned, New York-based upscale contract company that Marriott purchased last

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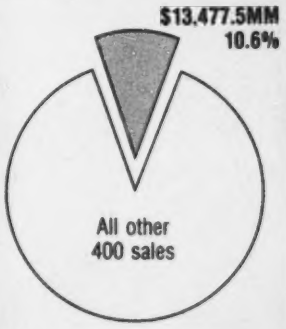
CONTRACTORS ('88-'89)

Avg. sales growth	10.4%
Avg. unit growth	3.3%



TOP TRENDS

- Management services for employee convenience operations such as dry cleaning and c-stores
- Takeout programs
- More service (office delivery, for example)
- Extensive training programs
- Quick marketing programs
- Branding of in-house programs
- Licensing agreements with national chains
- Branding of in-house foodservice divisions
- More healthful food selections and complementary nutrition awareness programs
- Expansion of territory to Europe and Asia through joint ventures
- Implementation of new sanitation programs
- More sophisticated signage and greater unit visibility

A complete ranking of the 400 by segment begins on page 28.

†commercial equivalent

400: CONTRACTORS

continued from page 159

Many companies are making plans to expand their foreign market presence.

year, into Marriott (as was done with its previous acquisitions such as Saga). "The decision fits with Marriott's branding of its own concepts—such as the hotel, the suites and the Courtyard," comments one industry observer. "Besides, Corporate had a bit of cachet that I'm not sure the Marriott name does when it comes to their contract foodservices division."

To meet customers' demands for more variety, the company continues to offer its "Passport to Culinary Adventure program."

Training is emphasized through the Respect hospitality program, taught in English, French and Spanish, and designed to develop repeat business by focusing on customer services and improving communications among employees. The company also initiated a Safety Awareness program, adding safety coordinators and implementing safety incentives.

Not content to be the largest provider of contract foodservice in the United States, Marriott expanded its territory by acquiring Sogsabec Ltd., a French-Canadian foodservice firm in Quebec.

The company also entered into a joint venture with Sumitomo Corp. and Royal Co. Ltd. to provide contract foodservice in Japan.

ARA SERVICES INC.
$2,500.0MM
Since its inception in 1985, ARA's Itza Pizza, the company's trademark pizza concept, has grown into the nation's 12th largest selling pizza operation. Its popularity has opened up promotional opportunities for contests and special events.

The Philadelphia-based company's Treat Yourself Right health and nutrition awareness program also remains popular.

Still popular, as well, is Gretel's Bake Shop, offering "home-made" cookies, muffins, breads, cakes, pies and Our Simple Cinnamons buns and rolls. "Gretel's succeeds because people see it, smell it and buy it," says the foodservice director of one college with the program.

To keep up with customer demand for ethnic food, the El Pollo Grande concept, with more than 60 recipes ranging from popular traditional favorites to trendy Mexican dishes, is offered.

The Cart program enables ARA to bring in additional dollars by moving colorful, attractive and full-function mobile carts—the Bagel Wagon, for instance—to customers, rather than making customers come to the food. There are also carts that sell hot dogs (with a variety of toppings) and made-to-order, deli-style sandwiches.

Valley added a Signature Chef series last year.

CANTEEN CO.
$1,369.9MM
One of the most extensive operations and marketing packages ever designed by a contract company was created by Canteen as part of its "major strategic effort" for this decade.

Called the Saturn Program, its features include: signature products (a growing line of branded menu items including Pazzelli's Pizza, Bigger Better Biscuits, Classy Cookies and Muffin Mania); Creative Cuisine (a modular approach to menu management and merchandising, allowing managers to create a "food-court" concept in a dining area); Creative Juices (a complete series of fully packaged, POS promotions that can be tailored to an individual unit's needs); and Saturn Standard (two reference tools detailing decorative merchandising and food presentation and menu merchandising, along with skills-training photo guides for new garnishing concepts).

MORRISON'S CUSTOM MANAGEMENT
$580.0MM**
In 1989 Mobile, Ala.-based Morrison's Custom Management implemented what it considers its "most exciting and comprehensive foodservice and merchandising program." Called Fast Takes, the program is designed to take advantage of the takeout market. Today the market accounts for about 15% of total American foodservice dollars, with buyers on average purchasing takeout 1½ times per week at a cost of $16.50. The long-term trend signals g[illegible]th at 18% annually.

[illegible]ow does Morrison's ex[illegible] to cash in on the trend? B[illegible] increasing cash sales a m[illegible]imum of 10% in partici[illegible]ing operations; providing c[illegible]stomers with more con[illegible]nience; increasing customer counts, frequency and participation; improving service; and building employee morale and professionalism.

Included in the program are 30 signature items, which fall into four basic food categories, including: Big Biscuits (biscuits stuffed with scrambled eggs, breakfast meats and cheese, for example); The Stuffwich, pocket-style sandwiches that come in five varieties including Reuben, hero and barbecue; and Fast Bags, complete salad and sandwich entrees packed with "all the fixings," plus juice and dessert.

THE SEILER CORP.
$376.1MM†*
To increase customer counts and check averages, The

continued on page 166

*R&I estimate; **company estimate; †commercial equivalent

400: CONTRACTORS

continued from page 166

Improved signage attracts more customers to Dobbs' concessions.

Seiler Corp., Waltham, Mass., recently developed seven merchandising programs: Cuisine To Go (takeout), Slices Plus (pizza delivery), Happy Hours (food bars such as taco, baked potato, sundae, pasta and burger), Combos (combination meals "at appetizing prices") and Party Platters (deli, dessert, etc. platters to take home), Breakfast, and Banquet Awareness.

The company also revised its nutrition logo.

Employee training has received special emphasis recently. For example, when employees are "caught" doing something right in their customer-service approach, their immediate supervisor tells the division senior vice president. The employee then receives a "T.I.P.S. Zip," a letter of congratulations from the senior vice president. "The letter, which comes on special T.I.P.S. Zip stationery, is very personal and specific to the action that prompted the recognition," says Gerri Bateman, vice president, training and developme.

RESTAURA DINING SERVICES
$200.0MM
Phoenix-based Restaura finds its Italian menu items to be the best sellers now. Items to be introduced this year include more healthful food selections such as marinated grilled breast of chicken and chicken salad Oriental, as well as "light" desserts.

THE WOOD COMPANY
$172.7MM
The Wood Company's entry into the brand-name market took the form of "The Original Pete's Arena Pizza." Complete with color posters, table tents, point-of-service counter cards, takeout menus, coupons and assorted sportswear, the program "has all the elements needed to position [the contract operation] effectively against local pizzerias and the national brands," says a company spokesperson. Fresh house-made dough, 100% dairy mozzarella, mushrooms, bell peppers and red onion are the basic ingredients. Each pizza is shaped by hand and baked on a screen to ensure a crisp, New York-style crust. "Pete" also prepares stromboli and calzones.

This year the Allentown, Pa.-based company will introduce its "Wellness Program," which will include healthy menu selections, customer education on healthy lifestyles, nutrient analysis of recipes, and employee training on menu selection, food preparation and food handling. "Top Hits" a modular menu marketing program, will also be introduced.

The Wood Company entered "branding" with its "The Original Pete's Arena Pizza" program.

DOBBS HOUSES INC.
$99.8MM
Regionality is the key word when it comes to the menus of Dobbs' airport concessions. The Memphis, Tenn.-based company will add more healthful selections and more freshly prepared products this year. To increase average checks, Dobbs will further emphasize merchandising higher-check items and positioning impulse items better to up add-on sales.

The company recently improved its signage and the visibility of units to attract more of the available customer traffic flow. As other companies are doing, it is bringing food to the customers by using more mobile food carts.

PROFESSIONAL FOOD-SERVICE MANAGEMENT INC.
$90.0MM
Professional has jumped on the bandwagon with its "Healthy Wealthy" program. Promotions for 1990 include PFM's 25th Birthday Bash, which will be featured in each of the company's accounts.

This fall the company will roll out its own branded-concepts program featuring signature items in pizza, deli and grill offerings and bakery products.

The Northbrook, Ill.-based company is promoting dining hall patronage in its contract accounts by sending out newsletters with menus, specials and a "What's Happening in Foodservice" section.

VALLEY INNOVATIVE MANAGEMENT SERVICES
$79.2MM†
There's no doubt that the c omers of Jackson, Miss.-b d Valley like the comp y's healthful selections: T e best-selling menu items a fish, chicken and fresh v getables. The company a ded a Signature Chef se es last year, which includes a specialty soup, salad, vegetable, entree and dessert. The concept proved so successful that the company plans to expand the program this year to include additional items such as deli sandwiches.

Significant promotions last year included a variety of specialty takeout items such as Thanksgiving pies, Christmas dinners and Valentine's Day cookies.

To increase sales, Valley prepares food for off-premise service to churches, jails, private home catering and company picnics. Valley is in the process of developing a long-term marketing program that will include a name change to reflect better the company's new direction. *—Susie Stephenson*

†commercial equivalent

400: MILITARY

BRAND-NAME CONCEPTS AND TAKEOUT MAKE MILITARY NEWS

Clubs battle budget cuts with consolidation, new concepts.

Budget cuts played a big role in military foodservice in '89 and continue to influence many decision-makers this year. The military club systems, in particular, have had to develop new strategies to survive because all government subsidies will be eliminated by October.

Military foodservice personnel are becoming more business-oriented, looking to boost employee productivity and customer checks (where applicable). Alternative serving systems, such as takeout, delivery and drive-thru windows, are helping meet customer demand for more service. In addition, nutrition concerns continue to loom large within all branches of the service, as new, more healthful items appear on menus and nutrition promotions become almost standard.

ARMY & AIR FORCE EXCHANGE SERVICE
$618.2†
The Exchange Service will open several Popeyes chicken franchises as well as add to its own brands with Chicken Loft and Sweet Reflections (an ice cream, yogurt and pastry concept). Traditional burgers and pizza reign as most popular menu items, but the service also added prepackaged salads, gourmet pizza and calzones in '89. Gourmet ice cream and gourmet coffee will be added this year.

U.S. AIR FORCE CLUBS BRANCH
$355.7†
Tactics to improve the bottom line include increased emphasis on food quality and customer service, promotion of new menu items and intensified membership recruitment. More ethnic items, such as Mexican and Oriental, made their way onto menus, and the system plans to add more regional and midpriced entrees.

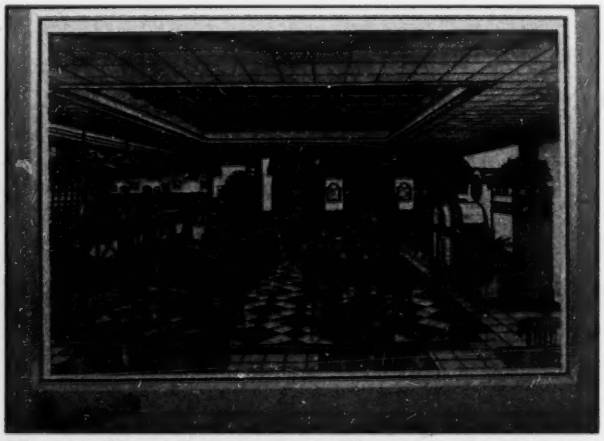
U.S. MARINE CORPS.
$252.2†
The Marines are keeping abreast of nutrition trends: They added both oat-bran cereal and multigrain bread in 1989 and plan to use olive oil in much food preparation this year. Despite these menu moves, however, enlisted men still give top marks to fried chicken, burgers and pizza.

U.S. NAVY OFFICER'S & ENLISTED CLUB SYSTEM
$177.2†
The Navy is combatting subsidy cuts by eliminating many traditional rank-segregated clubs in favor of new operations that will appeal to all hands. A concept development staff is creating in-house brand-name alternatives, such as family and fast-food restaurants, entertainment facilities and banquet/catering centers.

The first concept, a pizza and pasta restaurant called Parcheezi's, will open on several bases this year.

U.S. NAVY, BUREAU OF MEDICINE
$40.6†
The Navy's medical branch added baked potato bars in 1989 and breakfast bars are coming this year. The system boosted average checks in hospital cafeterias by initiating a la carte pricing. Promotions such as National Nutrition Month, Healthy Heart Promotions and Navy Day also helped to boost customer counts 16%.

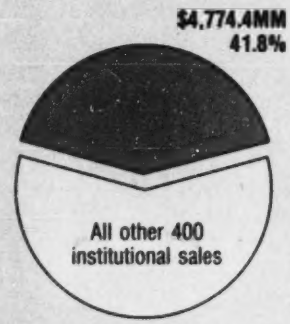
—Maureen Pratscher



The U.S. Navy Clubs Systems will open its first in-house brand-name concept, Parcheezi's, at Naval Air Station Moffett Field in California this year.

MILITARY ('88-'89)

Avg. sales growth	10.5%
Avg. unit growth	10.0%



TOP TRENDS

- Creation of in-house brand-name concepts within club systems
- Continued emphasis on nutrition and more healthful menu selections
- Alternative serving systems, such as takeout, delivery, drive-thru windows and cate g

BEST SELLERS

- P za
- H mburgers
- V rious chicken items

BEST PROMOS

- Nutrition-based promos, such as the Marine Corps' "Fit to Fight"
- Ethnic promos, such as Black History Month and Hispanic Heritage
- Holiday and theme meals

COMING UP

- Increased emphasis by clubs on bottom line to make up for subsidy cuts
- Continued computerization and automation
- Increased training to boost employee skills, productivity and morale

A complete ranking of the 400 by segment begins on page 28.

†commercial equivalent

400: TRANSPORTATION

TRAVEL FOODSERVICE TRIES THE HIGH-QUALITY ROAD

Caterers wrestle with bankruptcy, customer demands, the sauce problem.

It was a textbook example of a "mixed" year in transportation. On one hand, carriers such as American, United and Northwest saw passenger miles flourish on their Pacific routes and anticipate more of the same this year. On the other, giant Marriott Corp. looked at the future of airline catering and agreed to sell its In-Flite division to top executives who renamed it Caterair International. No. 2 domestic carrier Eastern Airlines filed for Chapter 11 protection after a prolonged machinists' strike; but No. 1 rail carrier Amtrak saw ridership climb to its highest level of the decade.

On the foodservice front, the industry has spent the last year improving menus in an attempt to change the image associated with "typical" air and rail food. They've spent money on it, too: According to Airline Economics, a Washington, D.C., consultant to the industry, the 10 largest U.S. airlines spent $2 billion on food last year, or $5.05 per passenger. That's up 13% from the amount spent per capita in '88, and up 22% from '87.

Not only will the business class be dining on first-class food, but coach offerings also will be upgraded. A number of caterers say airlines' main request is that they use less sauce in preparing the entrees. So far, most caterers have found this a difficult request to fill: Keeping the reheated food moist without covering it in sauce is not easy in the super-dry atmosphere of a galley kitchen at 35,000 feet.

According to many airline caterers, client airlines are beginning to participate more in the foodservice process, mostly by pressing the caterers to respond to passengers' requests for lighter sauces and fresher side dishes. On the other hand, say caterers, chocolate fudge desserts remain popular on all flights. And American Airlines has begun offering first-class passengers fresh-baked chocolate chip cookies and do-it-yourself sundaes.

DOBBS INTERNATIONAL SERVICES
$442.1MM†*
Client airlines are taking more of an interest in the way food is prepared, says Linda Blake, a registered dietitian for Dobbs International, Memphis, Tenn. "They now specify how the food should be prepared," says Blake.

According to Blake, passengers special-ordered "tremendous numbers" of special meals last year; she is not sure if this is because people are pickier or more demanding about their food, or simply because the public is more aware that the meals are available. Special airline meals now prepared include fruit plates, low-calorie, and diabetic trays.

Blake believes that, while it will be a gradual process because of the expense to airlines, the trend will be to keep improving airline food.

SKY CHEFS INC.
$415.0MM†
"We have been developing new recipes and menus for most of the airlines we service at an accelerated rate," says Brian O'Loughlin, corporate executive chef for the Dallas/Fort Worth Airport-based operation.

"Airlines want food that is lighter, they want fresher vegetables," says O'Loughlin. Sky Chefs is cooking up sauces and salsas to complement their entrees, for instance, and they will be on the side, not on the meat. Another airline Sky Chef caters to recently worked with the American Heart Association to plan meals that met health guidelines.

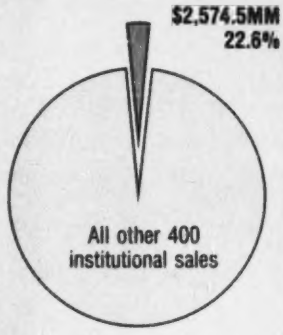
UNITED AIRLINES
$383.2MM†
Responding to demands for healthier food, United Airlines, Elk Grove Village, Ill., has replaced butter pats with margarine. United also provides more than 15 special meals to meet individual dietary and religious needs. In addition, United will expand pasta and seafood offerings on its menus.

TRANS WORLD AIRLINES INC.
$267.0MM†
On international flights, New York-based TWA now offers five different entrees. Chicken items are partially cooked in the commissary kitchen and then finished on the plane.

TWA also will be experimenting with cold-meal plates on international flights. A snack basket, providing half of a sandwich, cheese and fruit, is a new option on the first-class menu.

—S.W.

TRANSPORTATION ('88-'89)
Avg. sales growth −1.2%
Avg. unit growth −1.2%



TOP TRENDS

- More Pacific routes by U.S. carriers, and more Pacific- and Japanese-influenced foodservice
- General shift back from no-frills meals to full foodservice now that price wars are cooling down
- M[illegible] preparation of "special[illegible]eals, from low-salt to kosh[illegible]: Caterair's New York kitch[illegible]n assembles up to 1,5[illegible] a day
- M[illegible]re requests for fresher foods and lighter sauces

COMING UP

- $100 million to be spent by Northwest Airlines to upgrade foodservice in next five years, including full meals on 60 daily flights that used to serve only snacks
- Increased competition from small and midsize airlines that can fine-tune foodservice for smaller ridership

A complete ranking of the 400 by segment begins on page 28.

*R&I estimate; †commercial equivalent

400: HEALTH CARE

CUSTOMIZED MENUS KEEP 400 COMPANIES AT TOP OF MARKET

Tightening market makes operations focus on serving quality and costs.

The health industry found itself last year in a very familiar struggle, caught between financial officers looking for profit performance and medical consumers expecting more for the high prices they were paying. As a result, foodservice margins fell to less than 2% for hospitals and 8% to 10% for nursing homes and long-term care facilities.

Nevertheless, the largest companies in the health business now are pursuing market share by offering the best quality they can afford, and that includes amenities such as foodservice.

Customized menus help these corporations stay at the head of the market. More streamlined menus now are designed to meet client needs, period. Any frills must be justified in terms of payback. And revenue-generating activities, once an option, now are part of the daily routine.

Trends in hospital foodservice menus include foods that save steps; labor is still a concern for many.

In the nursing-home sector, more appetizing presentations mean a decreased need for food supplements, since residents eat more. They also entice residents' families and friends to stay for a meal and beef up bottom lines.

Specifically, these major players have realized the necessity of providing foodservice selections that meet the preferences of employees—who these days can account for as many of 65% of the meals served in health-care facilities. Those who haven't made deals with chains undoubtedly will in the future.

Freshness, or even the appearance of freshness—whether that means salads, fresh grilled fish or deli sandwiches—continues to gain importance. Employees are willing to pay for quality. So, too, are patients' visitors and even area walk-ins.

Some of the hottest items these days are bake-off products. Requiring few skills or labor, they appear fresh and the bake-off process creates an allure hard to resist.

NATIONAL MEDICAL ENTERPRISES
$280.0MM†

"Labor is the No. 1 factor we look at when considering any menu changes," NME

continued on page 178

Unicare makes menus marketing tools with regionalized dishes, special puréeing.

HEALTH CARE ('88-'89)

Avg. sales growth	7.6%
Avg. unit growth	−1.4%

TOP TRENDS

- Quality, quality, quality: superior menu items, via cooking from scratch or prepared foods
- Offering members the advantages of contract management with local control
- Localized menu planning with regional and ethnic foods to match client preferences
- Increased participation in Meals on Wheels and other community feeding programs

COMING UP

- Reorganization of Humana into two divisions—one for hospitals, one for HMOs—might help declining admissions.
- Re-examination of federal tax laws surrounding the purchase of nursing home chains, will slow the current wave of divestitures.
- Life Care Center Corp. (nursing homes, retirement facilities) will merge with National Heritage Corp. (long-term care, assisted living).

A complete ranking of the 400 by segment begins on page 28.

†commercial equivalent

400: HEALTH CARE

continued from page 177

Dietitians' input and regional menus add interest to mealtime.

spokeswoman Trudi McComb says. "We just don't have the people needed to pull off complex items every day."

As a result, most entrees leaving the kitchens of Santa Monica, Calif.-based NME are creations requiring little labor. "Prepared foods figure very prominently," McComb says.

McComb adds that most cafeteria menus have been streamlined to include only selections popular with customers. "We don't want to waste time preparing something no one will eat," she says, adding that food trends in NME cafeterias often mimic those of nearby restaurants. "If fajitas are in, that's what we'll be serving," says McComb.

Specific trends that stretch companywide are rare, McComb says, since each facility makes up its own menus. "Our units are autonomous except for the long-term care operations," she says. "But there, too, client satisfaction is our main goal."

HOSPITAL CORP. OF AMERICA
$135.7MM†*
Like most health-care companies, Hospital Corp. of America, Nashville, Tenn., keeps a close eye on industry trends, says dietary consultant Bruce Moilan. "And like many major corporations, we went through an LBO that split us into two different companies," he says.

Moilan's division, formerly HCA Management, now is known as Quorum Health Resources Inc. With the new moniker has come a new outlook on foodservice, one Moilan says can be divided into three areas.

"First of all, we're beginning to look at health-care foodservices as actual business units," he says. "They no longer just supply meals daily, but are also required to meet budgetary compliances, participate in strategic planning and, perhaps most importantly, assist in marketing our facilities to the public."

Moilan adds that a new companywide quality-improvement program is aimed at foodservice as well as other hospital departments.

The third area of emphasis is NutriCore, a pilot program designed to break down barriers between vendors and hospital foodservice directors. By setting up purchasing agreements and rebate programs with national purveyors, the company will be able to help independent directors buy at lower prices usually reserved for large contracting companies.

At the individual unit level, there are a couple of trends worth noting: a back-to-basics approach at some facilities, and a move toward name-brand food items.

THE EVANGELICAL LUTHERAN GOOD SAMARITAN SOCIETY
$47.0MM†
Two full-time registered dietitians recently were hired to work with a cluster of four facilities; their expertise has brought about dramatic changes at the participating units. "These people are now employees, not just consultants," says Ed Kilen, director for resident and community services. "They are committed to success for their facilities, and for their company."

The dietitians' recommendation for more menu items cooked from scratch has brought about an increase in food quality, accompanied by a decreased need for food supplements. Kilen says, "We're selling more guest meals now, and we even have a dinner theater, put on in conjunction with the local high school, in one facility."

The heightened emphasis on quality has an added benefit: On-the-job enthusiasm has increased tremendously. "The employees are proud to have guests at meal times—they used to grumble about extra meals," says Kilen.

Kilen adds that the dietitians are cost-effective, too. "Instead of paying consulting fees, we pay salaries," he says. "The money seems to go a lot further this way."

UNICARE INC.
$39.8MM†
From regular diets to purées, says Executive Director of Dining Services Mary Schmitt, the dining services staffs working for Milwaukee-based Unicare try to prepare foods in a way their clients will find most appealing. "We have regionalized menus, so people are served the kinds of foods they're used to," she says.

Puréed diets, long a curse in nursing facilities, have received special attention, Schmitt says. "Years ago, meat was thrown in a blender with a little broth, then thrown in a bowl and served. Now we purée the meat with eggs, bread and other binding agents to make a kind of soufflé. After it's baked, we slice and serve it with gravy. It still requires no chewing, but it's much more aesthetically pleasing."

Unicare's dietary excellence has allowed most units to participate in a number of revenue-producing activities. Meals on Wheels and other community feeding programs, catering and guest meals all add dollars to the company's bottom line.

A computerized food management program makes bidding a snap. "We plug in a menu and cost out the food items, then add in labor and a profit margin," Schmitt says. ***—Pam Erickson***

Labor shortages, along with falling admissions and profits, spelled career change for many foodservice directors.

*R&I estimate; †commercial equivalent

400: EDUCATION

SCHOOLS GET GOOD GRADES FOR NUTRITION AND CONVENIENCE

Stylish marketing programs grab kids' attention, push good-for-you foods.

Flexibility is the trend in the educational market this year—flexibility in equipment, in the kinds of foods served, the composition of the food and even in the "ownership" of operations.

Educational institutions are designing their kitchens and serving areas to be more adaptable to current trends. Gone are pieces of equipment firmly bolted to the floor. They are being replaced with equipment that can be moved—either around in a serving area (for more flexibility in serving configurations) or around a campus (to target clusters of students who gather together at particular times or places).

Schools are also finding it to their benefit to concentrate on the breakfast market. Not only does this help increase their reimbursement dollars, but far fewer students are eating breakfast at home, and research continues to confirm what educators have always known: Students who eat breakfast perform better in school.

The composition of menu items also has been changed. Many more foodservice directors are trying to provide students with more healthful selections.

The line between institutional and commercial is becoming more and more blurred in both schools and colleges. In Florida, for example, Orange County schools are now selling Domino's pizza to students for lunch.

Schools have faced one dramatic problem this year that colleges have not: a severe reduction in the types and amount of commodities that have been made available.

College and university foodservices, on the other hand, are battling for a client base brought up on fast food and no longer satisfied with traditional board-plan offerings. They have responded—similar to the reaction of foodservice departments in schools—by taking food to students rather than making students come to a central location.

Whether served on serving lines or at food courts—which are sprouting on campuses nationwide—the options facing students these days are bountiful and varied, ranging from taco salads to sushi to go.

Many schools now offer convenient sack lunches.

NEW YORK CITY BOARD OF EDUCATION
$282.8MM†

The emphasis in New York City's 1,247 public school serving areas is on healthful food, according to Denise Toulon, director of food technology. Salad bars, including fresh vegetables, are popular with students. As with all operators, Toulon is trying to balance healthfulness with acceptability. The district also is increasing its emphasis on nutrition education, continuing to try to use the cafeteria as a "laboratory" for what's being taught in classrooms.

The most popular entrees: barbecued glazed chicken bites (an unbreaded baked item), chicken nuggets and chicken bites.

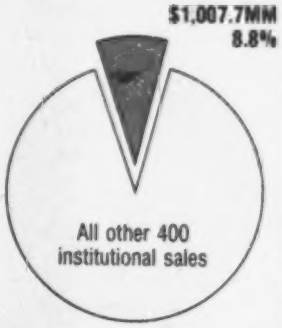
A Mother's Day promotion was so successful last year that this year the schools celebrated Family

continued on page 186

†commercial equivalent

EDUCATION ('88-'89)

Avg. sales growth	9.6%
Avg. unit growth	2.4%



TOP TRENDS

- Designing kitchens and serving areas to be more adaptable to current trends
- Concentrating on the breakfast market
- Making foods more healthful by changing specs or decreasing salt, sugar and fat in more items prepared in-house
- Blurring lines between commercial and institutional as more schools and colleges offer brand-name products or open units on campus
- Adapting menus to respond to changes in available commodities
- Taking food to students through kiosks, mobile carts and "pocket" units

BEST SELLERS

- Pizza
- Ethnic/spicy items: fajitas, gyros and fiesta salads, barbecued glazed chicken bites
- 100% fruit juices and other healthful foods
- Breakfast items: pancakes and bran muffins

A complete ranking of the 400 by segment begins on page 28.

400: EDUCATION

continued from page 185

Michigan State opens "pocket" units in academic buildings for new sales.

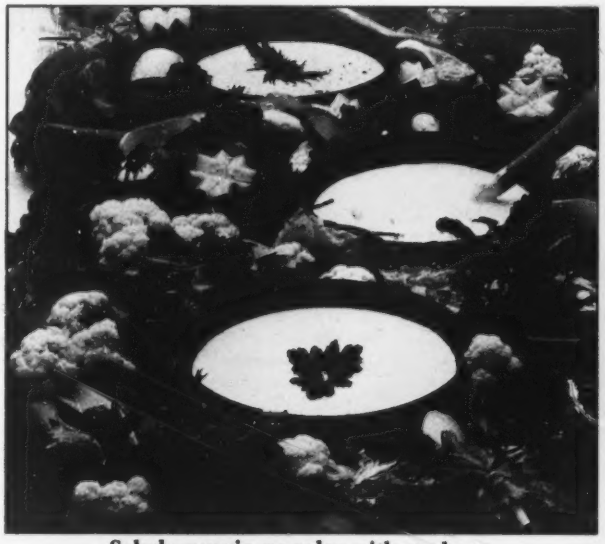
Week. Not only does this special event give parents a chance to dine with their children, says Toulon, but it also gives the department a chance to showcase the plethora of food items served.

DADE COUNTY (FLA.) SCHOOLS
$70.0†
In Dade County, the most popular menu item is pizza. Foodservice Director Jack Hastings placed fajitas and gyros on the menu last year and plans to add other healthful food items such as tofu to the menu this year. To help blacken bottom lines, foodservices implemented a more extensive a la carte program in the district's high schools and started providing foodservice to after-school and day-care programs.

HOUSTON INDEPENDENT SCHOOL DISTRICT
$56.4MM†**
"We're going to continue to win the kids by trying to get them to understand why it's important to develop a lifestyle that includes eating 'correct' foods," says Foodservice Director Hexser Holliday about further implementation of Houston's "Choose Right—Eat Right" program. "We believe it's best to implement the program with kids while they're still little, and then the good eating habits will spill over," he says.

To do this, the department will continue to modify all recipes to reduce the amount of fat, sugar and salt in foods and to increase the amount of fiber.

DETROIT PUBLIC SCHOOLS
$50.4†**
Greater menu variety at all grade levels—that's the most important change made in Detroit schools in 1989. Entree selections were increased from one or two to three or four daily. Bran muffins, cherry turnovers and bagels were added to breakfast menus; the number of schools participating in the breakfast program almost doubled—to 111 schools.



Salads remain popular with students.

SCHOOL DISTRICT OF PHILADELPHIA
$49.3†**
"If equipment existed that was mobile, that's what we would buy," says Tom McGlinchy about a decision the foodservice department made not long ago about its purchasing practices. "This would enable us to move equipment easily if we closed a facility. We now can also put serving lines in the middle of a dining area if the lines at the regular serving areas are too long."

Mobile carts are also used for the catering the foodservice department does at after-school activities such as football games.

DALLAS INDEPENDENT SCHOOL DISTRICT
$36.4MM†**
Dallas has joined the ranks of schools implementing "healthful" programs with its "The Healthy Alternative" specialty food bar, which offers light choices for students and adults in select pilot schools. Food items added in 1989: prepackaged breakfast items.

What's ahead for 1990? Pasta salad; manicotti and the "Healthy Meal Deal"—lunch boxes featuring whole-wheat croissant sandwiches, roast beef pita pockets, fresh fruit and raw vegetables.

MICHIGAN STATE UNIVERSITY
$37MM†**
"A few years ago, we identified the growth market as taking food to the customers," explains Bob Underwood, assistant vice-president. "We had some fixed foodservice locations that were not growing; we had already brought private enterprise onto the campus by putting a food court in the Union—that was the beginning of grazing for us. About the same time, the academic community wanted us to provide more foodservice in the classroom buildings." So Michigan State started putting in "pocket" food areas that offer students fresh cold sandwiches, "home-made" soups and fresh salads, including taco salads in shells and chef's salads. The university also started selling 100% fruit juices and packaged frozen entrees that, Underwood says, often appeal to traditional brown baggers.

—S.S.

MSU is opening more operations in academic buildings.

**company estimate; †commercial equivalent

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